POLICIES AND PROCEDURES
CONSULTANT POLICIES AND PROCEDURES

LAST UPDATE: November 13, 2013

TABLE OF CONTENTS

SECTION 1: THE COMPANY 1
SECTION 2: POLICIES AND PROCEDURES INCORPORATED INTO CONSULTANT AGREEMENT 1
SECTION 3: BECOMING A CONSULTANT 2
SECTION 4: CONSULTANT BENEFITS 3
SECTION 5: CONSULTANT REQUIREMENTS AND RESTRICTIONS 3
SECTION 6: CONSULTANT BUSINESS PRACTICES 7
SECTION 7: SPONSORING AND TRAINING 14
SECTION 8: ORDERING PROCEDURES 16
SECTION 9: SHIPMENTS 17
SECTION 10: RETURN PROCEDURES 19
SECTION 11: ADVERTISING AND USE OF R+F TRADEMARKS AND OTHER R+F CONTENT 20
SECTION 12: COMPENSATION 29
SECTION 13: RELATIONSHIP TO PROACTIV® SOLUTION 31
SECTION 14: TRANSFER OF CONSULTANTSHIP 32
SECTION 15: TERMINATION AND SUSPENSION 34
SECTION 16: REMEDIAL ACTIONS, GRIEVANCES, AND COMPLAINTS 36
SECTION 17: WARRANTIES; LIMITATIONS OF LIABILITY; INDEMNIFICATION 37
SECTION 18: MISCELLANEOUS; DISPUTE RESOLUTION 38
APPENDIX A: COMPENSATION PLAN A1
| SECTION 1: | INTRODUCTION | A1  |
| SECTION 2: | DEFINITIONS | A2  |
| SECTION 3: | RECOGNITION TITLES AND QUALIFICATIONS | A7  |
| SECTION 4: | PAID-AS TITLES | A10 |
| SECTION 5: | TITLE PROMOTION AND MAINTENANCE | A10 |
| SECTION 6: | EXECUTIVE LEG RETENTION REQUIREMENTS | A10 |
| SECTION 7: | TITLE DEMOTION | A11 |
| SECTION 8: | COMPENSATION PLAN CATEGORIES | A11 |
| SECTION 9: | INCENTIVE TRIPS AND AWARDS | A13 |
| SECTION 10: | PRICE BASIS FOR RETAIL PROFIT AND COMMISSION CALCULATION | A14 |
| SECTION 11: | COMMISSION ADJUSTMENTS FOR RETURNED PRODUCTS | A14 |
| APPENDIX B: | GLOSSARY | B1  |
| APPENDIX C: | DSA CODE OF ETHICS | C1  |

**PLEASE NOTE:**
If there are questions regarding any of the following Policies and Procedures, please contact the Sales Support Department at 415-273-8000 or via e-mail at SalesSupport@rodanandfields.com.
SECTION 1: THE COMPANY

Rodan & Fields, LLC ("R+F" or the "Company"), a California limited liability company, including its successors and assigns, is a leading clinical skincare company, founded by Dr. Katie Rodan, M.D. and Dr. Kathy Fields, M.D. Their Rodan + Fields® line of products merges proven over-the-counter medicines and active cosmetic technologies to offer a comprehensive regimen approach to common skin concerns. The direct selling model was adopted by the Company to allow Independent Consultants the opportunity to market and sell Rodan + Fields® skincare products directly to Customers and sponsor others to become Independent Consultants and develop Consultantships of their own.

The R+F Mission: Our mission is to redefine independent business ownership with a brand, products and programs that change skin and change lives. With integrity beyond reproach, products that exceed our customers’ expectations, and commitment to community and marketplace values, we are creating an enduring legacy for our Independent Consultants and our employees.

SECTION 2: POLICIES AND PROCEDURES INCORPORATED INTO CONSULTANT AGREEMENT

These Policies and Procedures (including the Compensation Plan and the Glossary incorporated herein by reference and attached as Appendices A and B hereto), in their present form and as amended from time to time at the sole discretion of R+F (the "Policies and Procedures"), are incorporated into and form an integral part of the Consultant Agreement, which sets forth R+F’s and each Consultant’s legal rights and obligations. Throughout these Policies and Procedures, where the term “Consultant Agreement” is used, it refers to the legally binding agreement between R+F and each Consultant, consisting of (i) a properly completed and submitted Consultant Application that has been accepted by R+F; (ii) these Policies and Procedures that are incorporated into and form an integral part of the Consultant Agreement; and, if applicable, (iii) a properly completed Business Entity Registration Form that has been accepted by R+F. In the event of any conflict between the applicable Consultant Application or the Business Entity Registration Form, on the one hand, and these Policies and Procedures, on the other hand, these Policies and Procedures shall control. It is the responsibility of each Consultant to read, understand, adhere to and ensure that she or he is aware of and operating under the most current version of these Policies and Procedures. When sponsoring a potential Consultant, it is the responsibility of the Sponsor to provide access to the most current version of these Policies and Procedures (including the Compensation Plan) to the new Applicant prior to that potential Consultant’s submission of the Consultant Application.

Rodan + Fields may amend these Policies and Procedures at its discretion. Notice of any substantive changes will be provided in the weekly Insider Scoop and posted in the Pulse Business Development Library. The amended Policies and Procedures will become effective thirty (30) days after notice is provided, at which time the final amended policies will be posted on the R+F Website and in the Pulse Business Development Library. Amended policies shall not apply retroactively to conduct that occurred prior to the effective date of the amendment(s) except where indicated.

Consultants are responsible for reading the weekly Insider Scoop and for regularly reviewing R+F publications in the Pulse Business Development Library for notices of substantive changes to the Policies and Procedures. Consultants’ continued participation in the Program following the effective date of the amended Policies and Procedures constitutes acceptance of any changes or additions.

Rodan + Fields is a proud member of the Direct Selling Association (the “DSA”). The DSA is the national trade association of the leading firms that manufacture and distribute goods and services sold directly to consumers. The DSA’s mission is “To protect, serve, and promote the effectiveness of member companies and the independent..."
business people they represent. To ensure that the marketing by member companies of products and/or the direct sales opportunity is conducted with the highest level of business ethics and service to consumers.

The cornerstone of the DSA’s commitment to ethical business practices and consumer service is its Code of Ethics. Every member company pledges to abide by the Code of Ethics’ standards and procedures as a condition of admission and continuing membership in the DSA. The DSA’s Code of Ethics is now attached as Appendix C and available online at www.dsa.org/ethics/code/.

Capitalized terms used throughout these Policies and Procedures are defined in the Glossary (Appendix B).

SECTION 3: BECOMING A CONSULTANT

3a. To become a Consultant, one must:

- be 18 years of age or older;
- be a legal resident of the United States, the District of Columbia, Puerto Rico or Guam;
- have a valid Social Security Number;
- not be in jail or prison or otherwise confined to a correctional institution;
- not have ever been convicted of a felony;
- not be a current employee, officer or director of R+F and/or its affiliates, or the spouse of any of the foregoing;
- not be a current employee, officer or director of Guthy-Renker Corporation and/or its affiliates, or the spouse of any of the foregoing;
- complete and submit a Consultant Application that is accepted by R+F;
- purchase a Business Portfolio (except for residents of North Dakota, where the purchase of a Business Portfolio is optional); and
- have a valid e-mail address and valid credit card.

Any proprietorship doing business under an assumed name (DBA) must also submit a true and complete copy of its certificate of DBA if requested by R+F. A Business Entity (i.e., a corporation, limited liability company, partnership or trust) applying to be a Consultant must also comply with the requirements of Section 5j.

3b. Independent Contractor Status:

Consultants shall not be treated as employees of R+F for any purpose including, without limitation, for federal, state or local tax purposes or for retirement benefits. Consultants are self-employed, non-exclusive independent contractors who are authorized to market and sell the R+F Products in the 50 United States, the District of Columbia, Puerto Rico and Guam. Consultants are not, and shall not represent themselves to be, employees, agents or representatives of R+F or purchasers of a franchise or a business opportunity. Any agreement between R+F and a Consultant does not create an employee/employer relationship, agency, partnership or joint venture between R+F and such Consultant.

Consultants have no authority (expressed or implied), and shall not represent that they have any authority, to bind R+F to any obligation. Consultants shall establish their own goals, hours, place of business and methods of sale, so long as they comply with the Consultant Agreement. Consultants are solely responsible for all decisions made and all costs incurred with respect to their Consultantships. All Consultants assume all entrepreneurial and business risk in connection with their Consultantships. Consultants are responsible for obtaining any state or local licenses, permits and other governmental approvals applicable to her or his business, including qualifications to transact business in
states other than her or his domicile. There is no guarantee that there is or will be a market for the R+F Products or that Consultants will earn or will not lose money.

3c. Getting Activated:

Once an Applicant has submitted a properly completed Consultant Application, purchased a Business Portfolio (except for residents of North Dakota, where the purchase of a Business Portfolio is optional), submitted any other documents that R+F may require, and R+F has accepted and processed the Consultant Application, the Applicant will become a Consultant and will be assigned a unique Identification Number and Password.

- A Consultant’s Identification Number must be used by that Consultant to identify herself or himself to R+F in all correspondence with R+F and may also be required for transactions. A Consultant may provide her or his Identification Number to Customers and potential Customers to assist R+F in identifying and linking the Customer or potential Customer to that Consultant’s account for online orders.

- A Consultant’s Password is used by that Consultant to access her or his Pulse Personal Websites (PWS), the R+F Website and the Pulse Business Management Suite through which she or he can order the R+F Products and/or access the Consultant’s performance history records, organizational status and Performance Reports (Downline Activity). This Password must not be given to anyone else. For information regarding the Pulse Program see Section 11j.

SECTION 4: CONSULTANT BENEFITS

Once an Applicant has become a Consultant as described above, the Consultant is able to participate in and take advantage of the Program’s benefits. These benefits include the ability of the Consultant to:

- purchase the R+F Products at Wholesale Prices;
- sell the R+F Products as described herein;
- participate in the Compensation Plan (receiving Commissions and Performance Bonuses, if eligible);
- sponsor other potential Consultants into the Program to build a Downline and advance through the various levels under the Compensation Plan;
- receive periodic R+F literature and other R+F communications; and
- participate in R+F sponsored support, service and training, and in motivational, promotional, incentive and recognition programs for Consultants, upon payment of appropriate charges if applicable.

SECTION 5: CONSULTANT REQUIREMENTS AND RESTRICTIONS

5a. Business Portfolio:

In order to become a Consultant, an Applicant must purchase a Business Portfolio (either by itself or as part of the purchase of a Business Building Kit that includes a Business Portfolio) at the time she or he submits a Consultant Application to R+F (except for residents of North Dakota, where the purchase of a Business Portfolio is optional). A Consultant may return the initial Business Portfolio at any time within one year after activation and receive a complete refund of the purchase price (not including any shipping costs).* The return of a Business Portfolio will be considered a Voluntary Termination by the Consultant. For additional information on Consultant return policies, refer to Section 10.

*Residents of Maryland, Wyoming, Massachusetts and Puerto Rico may return a Business Portfolio at any time for a refund (one year limitation does not apply).
5b. No Inventory Requirements/70% Rule:

Consultants are neither required to purchase nor required to carry any amount of inventory of the R+F Products; it is possible to maintain an active status and earn Commissions and Performance Bonuses without carrying any inventory at all. Orders may be transacted directly with the Company on behalf of the Consultant through the R+F Website and/or Pulse Personal Websites (PWS). Consultants receive full credit for all such sales without the need to carry any inventory at all. Consultants may, at their option, purchase the R+F Products in bulk for resale to Customers, provided that the Consultant retains receipts showing that at least 70% of those R+F Products were resold to at least three (3) different Retail Customers within thirty (30) days of the last applicable order date. Furthermore, falsely representing the sale of R+F Products is grounds for termination of the applicable Consultant Agreement and Consultantship.

5c. Purchase Limitations:

All Consultant orders of R+F Products in excess of $1000 during any calendar month will be subject to review by R+F and are subject to the 70% sale and three (3) different Retail Customers requirements stated in Section 5b above. Rodan + Field’s obligation to repurchase the R+F Products as set forth in Section 10 will not apply with respect to Consultant purchases that fail to comply with Sections 5b and 5c. R+F reserves the right to rescind qualification for Recognition Titles or Performance Bonuses, including incentive trips and car allowances, or to claw back Commissions, in instances in which a Consultant is found to have placed excessive orders, whether those orders are placed in her or his own Consultant account or in a Customer account.

5d. Consultant Status:

An Applicant becomes a Consultant when her or his Consultant Application or, in the case of a Business Entity, a Business Entity Registration Form, is accepted by R+F. A Consultant remains a Consultant in the Program by: (i) renewing her or his Consultant Agreement in accordance with Section 5l below on each anniversary date and acceptance of such renewal by R+F; and (ii) complying with the requirements of the Consultant Agreement.

5e. Eligibility:

Rodan + Fields reserves the right to accept or reject any Consultant Application or Business Entity Registration Form for any reason in its sole discretion. Without limiting the generality of the foregoing, R+F reserves the right to reject any Consultant Application or Business Entity Registration Form if R+F determines in its sole discretion that its acceptance of a Consultant Application would result in any actual or potential conflict of interest or would call into question the independence of a Consultant.

5f. Single Consultant Account:

A Consultant may hold only one account under a single Sponsor. A person or entity may not be a party to more than one Consultant Agreement or hold, directly or indirectly, any interest in additional Consultantships, including any Consultantships operated by a Business Entity. Consultants whose credit card information appears on Consultant accounts other than their own will be in violation of this policy. No Consultant may pay others to market and sell the R+F Products.
5g. Spouses and Common Law Married Couples Treated as a Single Consultantship:

Except as described in Section 14c, if spouses or common law married couples both wish to be Consultants, they must be registered together as a single Consultantship under a single Sponsor using a single Social Security Number. Spouses and common law married couples may neither sponsor each other directly or indirectly, nor have different Sponsors. Children over the age of eighteen (18) residing with their parents who meet all of the eligibility requirements may have their own Consultantships. For information regarding the disposition of a spousal or common law Consultantship upon divorce or separation, see Section 14b. For information on Transferring a Consultantship to a Spouse, see Section 14f.

5h. Territory:

No Consultant shall assert or imply that she or he has ownership of, or exclusivity in, any particular geographic area, territory, market or region. All Consultantships are nonexclusive, and all Active Consultants have the full right to market and sell the R+F Products and otherwise conduct their Consultantships in all geographic areas and territories within the 50 United States, the District of Columbia, Puerto Rico and Guam in accordance with the terms of the Consultant Agreement. Consultants may not market or sell the R+F Products or otherwise conduct their Consultantships in any geographic area or territory outside the 50 United States, the District of Columbia, Puerto Rico and Guam.

5i. Consultant Information:

Each Consultant is responsible for keeping her or his Consultant Information up to date and accurate, and must immediately update any changes in her or his Pulse account. It is particularly important that a Consultant provides R+F with her or his current e-mail address, since e-mail is one of the primary ways that R+F will communicate with the Consultant. Each Consultant may modify her or his Consultant Information (e.g., update an address, phone number or e-mail address). To change a Social Security Number or Federal Tax Identification Number, please refer to Section 5j. Without limitation of the foregoing, Business Entities that are Consultants must immediately report any changes in its Beneficial Ownership to R+F. A Consultant must submit appropriate legal documentation in support of a name change request.

5j. Business Entities/Change in Consultantships:

A Consultant enrolled as an individual may apply to transfer her or his Consultantship to a corporation, limited liability company, partnership or trust. To effect such a transfer, a corporation, limited liability company, partnership or trust must:

- be incorporated or organized in the United States, the District of Columbia, Puerto Rico or Guam;
- have its principal place of business in the United States, the District of Columbia, Puerto Rico or Guam;
- have a valid Federal Tax Identification Number;
- complete, sign and submit a Business Entity Registration Form that is accepted by R+F (see Business Entity Registration Form in the Pulse Business Development Library for more details);
- if requested by R+F, submit a true and complete copy of the organizational and charter documentation (e.g., certificate of incorporation, articles of organization, certificate of formation, operating agreement, trust agreement, etc.) of such corporation, limited liability company, partnership or trust; and
- have a valid e-mail address and a valid credit card.
In addition, the Beneficial Owner of the corporation, limited liability company, partnership or trust must assign her or his Consultant Agreement to the Business Entity Applicant pursuant to the Business Entity Registration Form. In addition, all other Beneficial Owners of the Business Entity must be identified in the Business Entity Registration Form.

A corporation, limited liability company, partnership of any nature or trust is referred to in these Policies and Procedures as a “Business Entity.”

All Beneficial Owners of a Consultantship that is a Business Entity shall be jointly and severally liable for, and shall indemnify and hold harmless R+F from and against, any breach of the Consultant Agreement by such Business Entity or any indebtedness or other obligation to R+F of such Business Entity.

All sales and sponsorship activities of a Consultantship that is a Business Entity must be conducted only by the Beneficial Owners of the Business Entity; these activities cannot be conducted by persons (including employees or contractors) who are not Beneficial Owners of the Business Entity.

A Consultantship that is a Business Entity and undergoes a change of Beneficial Ownership must comply with Section 14d or it may have its Consultant Agreement and Consultantship terminated.

A Consultantship that is a Business Entity may not use any trade name, business name or DBA that includes any R+F Trademark.

Subject to the above requirements and restrictions, a Consultant may change a Consultantship’s status from a sole proprietorship to a corporation, limited liability company, partnership or trust, or from one type of Business Entity to another, by submitting a new Business Entity Registration Form. In addition, a Consultant may add her or his spouse to a sole proprietorship as a co-applicant to the Consultant’s existing Consultantship by submitting a new Consultant Application. In each such case, upon R+F’s acceptance of the new Consultant Application and, if applicable, the Business Entity Registration Form, the Consultant’s original Consultant Agreement will automatically terminate and be replaced and superseded by the newly formed Consultant Agreement. Note that none of the changes described above will permit a Consultant to change Sponsors, except as specified in Section 7d, or to assign or transfer a Consultantship except as specified in Section 14a.

5k. Actions of Household Members, Employees, Agents, etc.:

Each Consultant is responsible for the actions of her or his immediate household members, except for children over the age of eighteen (18) that have their own Consultantship pursuant to Section 5g. Each Consultantship that is a Business Entity is responsible for the actions of its owners, officers, directors, employees, contractors and agents. If any such household member or such owner, officer, director, employee, contractor or agent engages in any activity which, if performed by the Consultant, would violate the Consultant Agreement, such activity will be deemed a violation by the Consultant and R+F may take remedial action pursuant to the Consultant Agreement and seek other appropriate remedies against such Consultant.

5l. Consultant Agreement Renewal:

A Consultant Agreement commences on the date of activation and must be renewed on an annual basis. A Consultant’s failure to renew her or his Consultant Agreement upon the one (1) year anniversary of the activation date may result in the termination of her or his Consultant Agreement.

R+F will send the Consultant a renewal notice no later than thirty (30) days prior to the anniversary date of acceptance of the original Application. If a Consultant wishes to apply to renew her or his Consultant Agreement, the Consultant must complete the renewal process and pay a $25.00 fee. The $25.00 fee is waived for: (i) a Consultant who carries
the Recognition Title of Executive Consultant or higher as of the applicable anniversary date; or (ii) has been a participant in the Consultant Replenishment Program for a minimum of three (3) consecutive months at the time of the applicable anniversary date. Rodan + Fields reserves the right to refuse any renewal request. If a Consultant Agreement is terminated for non-renewal, the affected Consultant may re-enroll in accordance to Section 15d of the Policies and Procedures.

5m. Income Taxes:

Each Consultant is responsible for paying (and will indemnify and hold R+F harmless from) all local, state, federal and other taxes on any income derived from the sale of the R+F Products and any payments or other monetary or non-monetary compensation under this Agreement. R+F will provide the Internal Revenue Service’s Form 1099 MISC (non-employee compensation) earning statement to each U.S. resident Consultant who had compensation of $600 or more in the previous calendar year or made purchases from R+F during the previous calendar year in excess of $5,000. Rodan + Fields will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain worker’s compensation insurance on a Consultant’s behalf.

SECTION 6: CONSULTANT BUSINESS PRACTICES

6a. Media Inquiries:

Consultants may not respond to media inquiries regarding R+F, the R+F Products, the Program or any other aspect of R+F’s businesses. All such media inquiries should be immediately referred to R+F’s corporate office. This policy is designed to ensure that accurate and consistent information is provided to the public. For additional advertising guidelines refer to Section 11.

6b. Adherence to the Program:

Consultants shall present the Program in a truthful and accurate manner consistent with the Consultant Agreement and the R+F Marketing Materials. Consultants shall not offer the Program through or in combination with any other system, program or method of marketing. Consultants shall not promote, require or encourage any current or potential Customers or Consultants to: (i) participate in the Program in any manner that varies from the Program as set forth in the Consultant Agreement and the R+F Marketing Materials; or (ii) execute or adhere to any agreement or contract other than the Consultant Application and these Policies and Procedures in order to become Consultants and participate in the Program.

6c. Product Claims:

Consultants shall not make any claims or representations regarding the R+F Products other than those claims and representations found in the R+F Marketing Materials. Consultants may use the before & after photos and product testimonials that R+F publishes in support of the R+F Products. Before & after photos and product testimonials may be submitted for suggested publication on the R+F Product Success Stories website located at http://rodanandfieldsresults.com. If a Consultant wishes to use her or his own personal before & after photos, the subsequent guidelines must be followed: (i) the information shared must represent the Consultant’s honest opinions, findings, beliefs and experiences from using R+F Products; (ii) the information shared must clearly and conspicuously disclose the substantiation of representations conveyed (e.g., how often and how long the R+F Products were used or whether any other products or treatments contributed to the results); (iii) makeup must be removed and hair pulled back from the face; (iv) photos must be in focus, in a portrait landscape and with a well-lit, plain background; (v) the
before & after photos must be taken under the same conditions; and (vi) touch-ups and photo editing are not permitted. If a Consultant wishes to use before & after photos or product testimonials of a Customer, friend or family member, in addition to the foregoing requirements, the Consultant must obtain permission from the person who is the subject of the photo or testimonial. A form that may be used for this purpose can be found in the Pulse Business Development Library. A Consultant who posts a before & after photo or product testimonial on social media sites is responsible for ensuring that all requirements of this Section are met. Such photos and testimonials may be shared on social media sites, unless the Consultant who shares it has any reason to believe that the foregoing requirements have not been met. Any other photos or testimonials relating to the R+F Products are considered prohibited Product Claims. For additional information on Product Claims, refer to Sections 11k and 11o.

6d. Income Claims Prohibited:

Consultants shall not make claims or representations of potential or guaranteed income or profits in connection with the Program. Any amounts that Consultants earn through the Program are based only on the sale of R+F Products and not on the mere act of sponsoring other Consultants. The Federal Trade Commission and several states have laws and/or regulations that prohibit certain types of income claims and testimonials by persons engaged in direct selling/network marketing. While Consultants may believe it beneficial to tell other Consultants and potential Consultants about their earnings or the earnings of others, such claims may have legal consequences and adversely impact R+F as well as the Consultants making the claims, unless appropriate disclosure required by law is also made contemporaneously with the income claim. Because Consultants generally do not have the information necessary to comply with such legal requirements, when discussing the Program with other Consultants or potential Consultants, Consultants may not make any projections, claims or estimates regarding such other Consultants’ potential or guaranteed income from the Program, or disclose their own income from the Program (including by showing RF Payday Account statements, checks, copies of checks, bank statements, tax records or other such documents).

Lifestyle claims (e.g., my R+F business allowed me to buy a house, retire from my other job, allow my spouse to quit her or his job, or take a luxury vacation) are considered to be equivalent to income claims. Similarly, hypothetical income examples that are used to explain the operation of the Compensation Plan are also considered to be analogous to income claims. Consultants may make lifestyle claims or provide hypothetical income examples only if the following conditions are met: (i) the information must be accurate and not misleading; (ii) the level of effort required to achieve the results described must be fully detailed; (iii) claims of potential or guaranteed income may not be made; (iv) actual earnings may not be disclosed; (v) hypothetical income examples must be clearly indicated as such; and (vi) the Income Disclosure Statement must be provided in all instances. Any writings, including social media personal profiles, e-mail signature blocks, or written personal stories that include any lifestyle claim must include the following statement: “For information regarding earnings under the R+F Compensation Plan, see the Income Disclosure Statement: https://www.rodanandfields.com/images/Archives/RF-Income-Disclosure-Statement.pdf,” and a copy of the Income Disclosure Statement should be handed out if speaking about lifestyle claims during in-person meetings.

The Income Disclosure Statement is available in the Pulse Business Development Library, on each Consultant’s Pulse Personal Website (PWS) and on the R+F Website where the Compensation Plan is described at https://www.rodanandfields.com/Pages/Business/Compensation. For additional information on Income Claims, refer to Sections 11k and 11o.

6e. No Representations Regarding Governmental Approval:

Consultants may not represent that the R+F Products or the Program have been approved or endorsed by any governmental or regulatory agency. In addition, Consultants may not make any claims or representations regarding the R+F Products that constitute off-label drug claims.
6f. No Repackaging or Re-labeling:

Consultants may not re-label or alter the labels on any R+F Products, R+F Marketing Materials or other information or materials related to the Program in any way. Consultants may, however, affix their address labels to the product packaging but must affix the labels in a way that does not impair the ability to return such products. Please refer to Section 10e. Consultants may not repackage or refill any R+F Products. The R+F Products must be sold in original Company containers only. Repackaging or re-labeling may violate applicable laws, which could result in civil damages or criminal penalties. Civil liability may also result if a person using the R+F Products suffers any type of injury or property damage due to the repackaging or re-labeling of the R+F Products.

6g. Performance Reports (Downline Activity):

Rodan + Fields will make online Performance Reports available to Consultants for the sole purpose of supporting communication and leadership with their own respective Downlines and the development of their own respective Consultantships. The Performance Reports will contain names and sales performance data for all Consultants in their Downline. Consultants agree to allow their performance information to be included in the Performance Reports provided to their Upline. All Performance Reports and the information contained therein are the Confidential Information of R+F and must be treated as such pursuant to Section 6r. In particular, except as expressly permitted by Section 6r, Consultants must not:

- directly or indirectly disclose any information contained in any Performance Reports to any third party;
- use such information to compete with R+F or for any purpose other than supporting communication and leadership with their own respective Downlines and the development of their own respective Consultantships;
- encourage or solicit any Customers or Consultants listed in a Performance Report to alter their business relationship with R+F; and
- directly or indirectly disclose to any third party their Password.

6h. Ethical Marketing:

Consultants shall safeguard and promote the good reputation of R+F. Consultants shall at all times conduct their Consultantships in a manner that reflects favorably on the R+F Products and the good name, goodwill and reputation of R+F. Consultants shall not engage in deceptive, misleading or unethical conduct or practices that are or might be detrimental to R+F, the R+F Products, or the public, including, without limitation, disparagement of R+F or the R+F Products (as discussed in more detail below). Consultants shall comply with all laws, rules, regulations and governmental requirements applicable to the operation of their Consultantships and performance under this Agreement, including the marketing, promotion and sale of the R+F Products. In addition, Consultants shall: (i) not publish or use any misleading or deceptive advertising material regarding the R+F Products or the Program; (ii) honor the Customer Satisfaction Guarantee with respect to all R+F Products; (iii) not make any statements, representations, guarantees or warranties regarding the R+F Products or the Program that are inconsistent with those set forth in the Consultant Agreement and R+F Marketing Materials (whether with regard to prices, quality, performance, standards, grades, contents, style or model, place of origin, availability or otherwise); (iv) distribute the R+F Products only as shipped by R+F, unopened, and with all documentation, packaging and other supplemental materials intact; and (v) not alter or modify any R+F Product or packaging, or take any action that affects or could affect the appearance, quality, content or performance of any R+F Product.
6i. Retail Sales Receipts:

In the event of a product resale conducted directly between a Consultant and a Customer, a Consultant must provide her or his Customer with two copies of an R+F sales receipt at the time of the sale. The R+F sales receipt sets forth certain Customer protection rights afforded by federal law. A Consultant is required to inform her or his Customer that they are entitled to cancel any purchase of $25 or more within three (3) Business Days from the date of the sale (five (5) Business Days for Alaska residents who purchase $10 or more, fifteen (15) Business Days for North Dakota residents aged 65 or older who purchase $50 or more and fifteen (15) days after enrollment for Montana Consultants). Consultants must retain copies of their retail sales receipts for a period of two (2) years and furnish them to R+F at the Company’s request. Rodan + Fields will maintain records documenting the purchases made by Customers through a Consultant’s Pulse Personal Website (PWS) or the R+F Website. Please refer to the R+F Order Form located in the Pulse Business Development Library. Retail sales receipt books are available online via RF Mall.

6j. Criticism and Disparaging Remarks:

Rodan + Fields strives to provide the best products, compensation plan and service in the industry in support of the business development opportunity for each and every Independent Consultant. Accordingly, we value constructive comments and input from Consultants. While R+F welcomes constructive comments and input, destructive criticism and disparaging remarks made via public or private communications by Consultants about R+F, the R+F Products or the Program serve no purpose other than to undermine the enthusiasm and business development efforts of other R+F Consultants. For this reason, and to set the proper example for their Downlines, Consultants must not criticize or disparage R+F, other R+F Consultants, the R+F Products, the Program, or R+F’s directors, officers or employees. This includes any criticism or disparaging remarks posted on the Internet or any other public forum, both during the period of the Consultantship and after it is terminated.

Complaints or concerns regarding R+F or the R+F Products should be directed to the Sales Support Department at SalesSupport@rodanandfields.com. Complaints or concerns regarding other Consultants should be directed to the Compliance Department at Compliance@rodanandfields.com. Disputes or disagreements between any Consultant and R+F shall be resolved through the dispute resolution process set forth in the Consultant Application and in these Policies and Procedures.

6k. Professional Conduct:

Consultants are expected to conduct themselves in a professional manner at all times and not to engage in any activity that could damage the Company’s good reputation or create an environment that inhibits other Consultants from developing their own respective Consultantships. While it is not possible to provide a comprehensive list of behaviors that fall outside the level of professional conduct and integrity expected of Consultants, Consultants should recognize that the following forms of misconduct will not be tolerated:

- substance abuse;
- sexual harassment;
- verbal abuse;
- racial, religious, gender or sexual orientation discrimination, intolerance or abuse;
- any activity that advocates, promotes or incites hatred, violence or discrimination in any form; and
- fraudulent, misleading or deceptive conduct.
6l. Reporting Policy Violations:

Consultants who become aware that another Consultant has violated the Consultant Agreement or believe that an employee or representative of R+F has engaged in conduct that violates the professional standards of Section 6k above should promptly notify the R+F Compliance Department. Details of the incident (such as dates, number of occurrences and persons involved) and any supporting documentation should be included in the report to the extent available. Please use the Consultant Policy Violation or Grievance Report Form available in the Pulse Business Development Library to report violations and submit the form to compliance@rodanandfields.com.

6m. Security:

All Consultants must adopt, implement and maintain appropriate administrative, technical and physical safeguards to protect against anticipated threats or hazards to the security of Confidential Information and Customer Data. Appropriate safeguards for electronic and paper records may include, but are not limited to: (i) encrypting data before electronically transmitting it; (ii) storing records in a secure location; and (iii) password-protecting computer files or shredding paper files containing Confidential Information or Customer Data after transferring information into the R+F data systems. Without limitation of the preceding sentence or the provisions of Section 6r regarding Confidential Information, Consultants must keep Customer Data and other Confidential Information secure from all persons who do not have legitimate business needs to see or use such information. If Consultants dispose of any paper or electronic record containing Customer Data and other Confidential Information, Consultants shall so by taking all reasonable steps to destroy the information by: (i) shredding; (ii) permanently erasing and deleting; or (iii) otherwise modifying the Customer Data and other Confidential Information in those records to make it unreadable, unreconstructible and indecipherable through any means. Upon request, Consultant will certify to R+F that all forms of the requested personal information have been destroyed and will describe any exceptions.

6n. Reporting Security Breaches:

Consultants must comply with all applicable privacy and data security laws, including security breach notification laws. Without limitation of the preceding sentence, in the event of an actual or suspected Security Breach affecting Customer Data, the applicable Consultants shall promptly notify the applicable Customers and the R+F Compliance Department in writing after becoming aware of such Security Breach and specify the extent to which Customer Data was or was suspected to be disclosed or compromised and shall promptly comply with all applicable information Security Breach disclosure laws. Consultants, at their expense, shall cooperate with R+F and applicable Customers and use their best efforts to mitigate any potential damage caused by a breach of their obligations under the Consultant Agreement applicable to Customer Data, including by sending notice to the affected individuals, state agencies and consumer reporting agencies, if such notification is required by law.

6o. Venues:

Commercial Outlets

Rodan + Fields is a person-to-person marketing company and as such does not allow the R+F Products to be sold or displayed in, or otherwise distributed through, retail establishments open or available to the general public or otherwise available to “walk-in” Customers. This includes department stores, health food stores, beauty supply outlets, supermarkets, mall booths, kiosks, discount establishments, swap meets, drugstores, flea markets, specialty gift shops or any other business or commercial establishment that is open or available to the general public. No Consultant shall: (i) sell, display or distribute any R+F Products in or through any such establishment; (ii) sell any R+F Products to any Customer that the Consultant knows or has reason to believe may resell such R+F Products in or through any such
establishment; or (iii) solicit or encourage any third party to do any of the foregoing. For rules regarding sales and marketing on the Internet, see Section 11.

Personal Service Facilities

Subject to the requirements set forth in this Section, R+F Products may be sold or displayed in the following personal service facilities if owned and operated by a Consultant: (i) offices and other areas located in private clubs that are not accessible to or in view of the general public; (ii) the private offices of professionals who operate by appointment only (e.g., doctors, dentists, chiropractors, etc.); and (iii) beauty salons or spas that operate by appointment only. Rodan + Fields allows the sales of R+F Products in such personal service facilities, consistent with local laws and regulations, so long as there are no signs, products, flyers, advertisements or products visible from outside of the personal service facility. Any owner of any such personal service facility where the R+F Products are sold or displayed must be a Consultant in good standing and sign a special agreement confirming that her or his business complies with the foregoing requirements. Furthermore, each Consultant with a personal service facility is responsible for the actions of her or his non-Consultant employees and independent contractors. If any such non-Consultant employee or independent contractor engages in any activity which, if performed by the Consultant, would violate the Consultant Agreement, such activity will be deemed a violation by the Consultant and R+F may take remedial action pursuant to the Consultant Agreement and seek other appropriate remedies against such Consultant. The Personal Service Facility Approval Form is located in the Pulse Business Development Library.

Events

Consultants may display and/or sell the R+F Products at events that are limited in duration with an environment that is appropriate for promoting R+F’s brand integrity. Events consistent with R+F’s brand integrity may include trade shows, professional expositions, state fairs, health fairs, conventions and bridal shows. Swap meets, garage sales, flea markets or farmers’ markets, on the other hand, are not conducive to R+F’s professional image. Advance approval from R+F is not required to attend an event, but Consultants must use their best judgment in deciding whether a particular event is an appropriate forum to promote the R+F Products or the Program.

Consultants are responsible for registering to attend an event and confirming with the event manager that all event-specific requirements are met. For example, some promoters have a policy that allows only one vendor for a product brand to have a display at a function or may have other policies that prohibit a vendor from participating. It is therefore the Consultant’s responsibility to ensure that the promoter will allow her or him to display before making a deposit with the promoter. While representing R+F as Independent Consultants at an event, Consultants must personally comply with the Policies and Procedures and are responsible for the actions of any non-Consultant individuals who work the event to promote R+F. Consultants understand and agree that they must defend and hold R+F and its agents, stockholders, members, employees, directors, officers and attorneys harmless from any claims by third parties related to their participation in events not sponsored by R+F.

Please note that R+F does not offer liability insurance and will not provide the Company Tax Identification Number for any event, and will not consign R+F Products, R+F Marketing Materials, R+F Business Supplies or other types of merchandise or materials for display, use or sale at any event.

Other

Other than sales through the R+F Website or a Pulse Personal Website (PWS), sales must be made through personal one-on-one marketing to people with whom Consultants have established a business or personal relationship. The term “business or personal relationship” means an existing or developed relationship formed by a voluntary two-way
communication between a Consultant and a person on the basis of: (i) an inquiry, application, purchase or transaction by the person regarding products offered by the Consultant; or (ii) a personal or familial relationship whose relationship has not been previously terminated by either party.

Rodan + Fields discourages Consultants from engaging in door-to-door solicitation for sales. Should a Consultant conduct business in this manner, she or he must ensure compliance with applicable state or local laws regarding door-to-door sales or solicitation. Certain state or local laws impose restrictions on the time of day during which such solicitation may take place, and/or require door-to-door sellers to register with the state or local authorities or obtain a government-issued identification card. These jurisdictions may also impose fines for non-compliance.

6p. Account Maintenance:
Each Consultant is solely responsible for maintaining her or his account with R+F and remitting all payments due in a timely manner. Should a Consultant’s account go into collection, the Consultant will be responsible for (and will indemnify and hold harmless R+F from and against) all costs and fees incurred by R+F in the collection of the amount due. The Consultant agrees to allow R+F to deduct any amount due and any such costs and fees from the Consultant’s account and/or any Commissions, Performance Bonuses or other amounts due to the Consultant.

6q. Sales Tax:
As a direct selling company, R+F collects sales tax on behalf of Consultants based on the suggested retail price of the R+F Products as these items are intended for resale. Rodan + Fields collects sales tax based on the purchase price of the Business Building Kits, R+F Business Supplies and R+F Materials as these items are for personal use or demonstration purposes only and not intended for resale. Sales tax collected by R+F is based on the sale occurring at the applicable “Ship To” address. Rodan + Fields submits sales tax collected to the appropriate agency on behalf of each Consultant.

If a Consultant has submitted, and R+F has accepted, a current sales tax exemption certificate, R+F will return the sales tax on the Consultant’s direct purchase of R+F Products and it shall be the Consultant’s responsibility to collect and remit sales tax to the appropriate tax agency. (See Registration of a Resale Certificate Form in the Pulse Business Development Library for more details.)

6r. Confidential Information, Non-Solicitation and Competitive Businesses:
A Consultant shall not disclose to any third party Confidential Information (as defined in Appendix B). A Consultant shall use the same degree of care to protect Confidential Information that she or he uses to protect her or his own sensitive and proprietary information. Both during the term of her or his Consultant Agreement and indefinitely thereafter, a Consultant shall: 1) use Confidential Information only for the purposes of performing her or his obligations or exercising rights under her or his respective Consultant Agreement, and 2) limit access to Confidential Information to only those persons who have a legitimate need to know such information in the performance of Consultant’s rights and obligations under her or his respective Consultant Agreement. Each person who is given access to Confidential Information shall be bound by a confidentiality obligation at least equivalent to the confidentiality obligations of each Consultant under her or his respective Consultant Agreement. A Consultant shall be responsible for the acts and omissions of her or his respective employees, contractors and agents with respect to such confidentiality obligations. Notwithstanding the foregoing, a Consultant may disclose Confidential Information to the extent she or he is legally compelled to do so, provided, however, that, prior to any such compelled disclosure, the Consultant notifies R+F and fully cooperates with R+F in protecting against or limiting the disclosure of Confidential Information.
In order to avoid disruption to R+F’s business, each Consultant further agrees that, during the term of her or his Consultant Agreement and for a period of two (2) years following the termination of the Consultant Agreement, to the fullest extent allowed by law, the Consultant shall not directly or indirectly, either through the use of Confidential Information or without such use of information:

- solicit any R+F Customer or Consultant for any other business or charitable purpose. Should a Consultant or former Consultant solicit another R+F Customer or Consultant who was not her or his Personally Sponsored Customer or Consultant, there shall be a presumption that the Consultant utilized Confidential Information. The Consultant or former Consultant must then prove by a preponderance of the evidence that the solicitation was done without the use of Confidential Information or R+F Content or done with the express written consent of R+F;

- solicit for employment, or solicit for engagement as an independent consultant or contractor, any R+F Consultant, where such person was an R+F Consultant at any time prior to the termination of the Consultant’s Consultant Agreement; and

- promote, market or sell the products, services or programs offered by any competitive business to any R+F Customer or Consultant. A business, program or activity is “competitive” if it involves or is related to the sale of products or services by independent consultants, contractors or distributors through direct selling business.

Activities that would constitute a conflict of interest with Consultant’s obligations under the Consultant Agreement are not permitted. During the term of the Consultant Agreement, Consultant will not accept work, enter into a contract or accept an obligation inconsistent or incompatible with Consultant’s obligations, or the scope of services to be rendered for Company under this Agreement. Consultant warrants that to the best of Consultant’s knowledge there is no other existing contract or duty on Consultant’s part that conflicts with or is inconsistent with this Agreement. Consultant agrees to indemnify and hold harmless Company from any and all losses and liabilities incurred or suffered by Company by reason of the alleged breach by Consultant of any services agreement between Consultant and any third party. The determination of whether an obligation is inconsistent or incompatible with Consultant’s obligations under the Consultant Agreement shall be made at the reasonable discretion of R+F. If a Consultant is engaged in other non-R+F business it is the responsibility of the Consultant to ensure that her or his R+F Consultantship is operated entirely separate and apart from all other businesses, including at all R+F-related events and on any R+F-related materials or displays.

Consultants and the Company recognize that because network marketing is conducted through networks of independent contractors, and business is commonly conducted via the Internet and telephone, an effort to narrowly limit the geographic scope of the foregoing provisions would render them wholly ineffective. Therefore, Consultants and R+F agree that the provisions of this Section shall apply to the 50 United States, the District of Columbia, Puerto Rico and Guam.

Consultant further agrees that the provisions contained in this Section are reasonable and necessary to protect the legitimate interests of R+F and that R+F would not have accepted the Consultant’s Consultant Application in the absence of the Consultant’s agreement to these provisions. Consultant agrees that the Consultant’s breach or threatened breach of such provisions would cause R+F irreparable harm and significant injury, the amount of which would be extremely difficult to estimate and ascertain and thus making any remedy at law or in damages inadequate. Each Consultant therefore agrees that R+F shall be entitled, without the necessity of posting a bond or security, to the issuance of injunctive relief by any court or arbitrator of competent jurisdiction as provided in Section 18i, enjoining any breach or threatened breach of the above provisions and for any other relief such court deems appropriate. The rights granted to R+F in this Section are in addition to any other remedy available to R+F at law or in equity.
6s. No International Sale or Marketing:

Due to critical legal and tax considerations, R+F must limit the sale and marketing of the R+F Products and the presentation of the Program to potential Customers and Consultants located within the 50 United States, the District of Columbia, Puerto Rico and Guam. Rodan + Fields Products and Marketing Materials may not be shipped into or sold in any foreign countries, including Canada. In addition, Consultants may not engage in the following activities outside of the 50 United States, the District of Columbia, Puerto Rico and Guam: (i) conducting training meetings; (ii) sponsoring or attempting to sponsor potential Consultants; or (iii) conducting any activity for the purpose of selling the R+F Products, establishing a Downline or promoting the Program. (R+F recognizes that Pulse Personal Websites (PWS) may be available for viewing worldwide through the Internet and Consultants will not be deemed to be in violation of this Section based solely on such availability, as long as they comply with the other provisions of this Section.)

In the case of Consultants living on U.S. military bases outside of the 50 United States, the District of Columbia, Puerto Rico and Guam, the sale and marketing of the R+F Products and the presentation of the Program to potential Customers and Consultants also living on said military base may be conducted as permitted by the base commander in charge. In accordance with this Section, Consultants may not engage in the following activities off-site of military bases outside of the 50 United States, the District of Columbia, Puerto Rico and Guam: (i) conducting training meetings; (ii) sponsoring or attempting to sponsor potential Consultants; or (iii) conducting any activity for the purpose of selling the R+F Products, establishing a Downline or promoting the Program. Please refer to Section 9c regarding shipments to Military APO/FPO or Military P.O. Box addresses.

SECTION 7: SPONSORING AND TRAINING

7a. Sponsoring Other Consultants:

Consultants may sponsor other persons to become Consultants within the 50 United States, the District of Columbia, Puerto Rico and Guam. However, Consultants earn Commissions and Performance Bonuses in the Program only based on the sale of the R+F Products, not merely from sponsoring other Consultants. The most current version of the Consultant Agreement can always be found in the Pulse Business Development Library. Once the potential Consultants have read and understood the Consultant Agreement, they may complete the Consultant Application with the Sponsors’ full name and Identification Number. Sponsors of Georgia residents must additionally: (i) provide a Notice of Disclosures Required by Georgia Law to any potential Georgia Consultant who seeks to purchase a Business Building Kit at the time of enrollment; and (ii) upon request, provide certain disclosures regarding R+F prior to submitting the Consultant Application. (The Notice of Disclosures Required by Georgia Law document is located in the Pulse Business Development Library.) Any Consultant Applications completed offline must be sent to R+F within two (2) Business Days from the time it is signed by the new Consultant.

7b. Responsibilities of Sponsors:

Sponsors must always present the R+F Products and the Program to others in a manner that complies with the Consultant Agreement, including the requirements of Section 6 of these Policies and Procedures regarding business ethics and practices. In addition, Sponsors are responsible for assisting, motivating and training their Downlines. Accordingly, Sponsors must:

− provide prospective Consultants with a copy, or access to, the current Policies and Procedures prior to submission of a new Consultant Application;

− ensure that prospective Consultants complete and submit the Consultant Application themselves. If extraordinary circumstances prevent a prospective Consultant from submitting the online Consultant
Application, the sponsoring Consultant may do so for the prospective Consultant so long as the prospective Consultant completes and signs a hard copy of the Consultant Application in advance, is provided access to the Policies and Procedures and has the opportunity to review the Consultant Application Terms and Conditions before enrolling, in which case the signed Consultant Application must be sent to the Compliance Department, Rodan + Fields, 60 Spear Street, Suite 600, San Francisco, CA, 94105. Additionally, the Sponsor must advise the newly enrolled Consultant to change her or his password as soon as possible; 

- train and communicate to their Downlines to ensure that their Downline Consultants do not make improper product or income claims, engage in illegal or inappropriate conduct or otherwise violate the Consultant Agreement;

- assist, motivate and train their sponsored Consultants by having ongoing contact and communication, which may include the use of newsletters, written correspondence, personal meetings, telephone contact, voice mail, e-mail and training sessions and/or accompanying their sponsored Consultants to R+F training and orientation meetings; and

- motivate and train their sponsored Consultants in subject matter regarding R+F Products, effective sales techniques, the Compensation Plan and compliance with these Policies and Procedures.

As Consultants progress through the various levels of leadership in the Program, they will become more experienced in sales techniques, as well as more knowledgeable about the R+F Products and the Program. Such Consultants may be called upon to share this knowledge with less experienced Consultants.

Those who sponsor widely but do not help new Consultants develop their Consultantships meet with limited success. Therefore, all Sponsors have a responsibility to work with the new Consultants they sponsor, helping them learn the business and encouraging them during the critical early months of their Consultantships.

Sponsors are not required to maintain any inventory of products or business supplies for new Consultants. Refer to Section 5b.

7c. Applicant Rights:

For reasons of sponsoring ethics, R+F strongly encourages any new Consultant to enroll in the Program under the Sponsor who introduced such Applicant to the Program. Every Consultant, however, ultimately has the right to choose who her or his Sponsor will be. As such, if an individual asks to be registered under another Sponsor prior to submitting the Consultant Application, R+F reserves the right to honor such request. Notwithstanding the foregoing, if a Preferred Customer desires to become a Consultant, she or he must either: (i) apply as a Consultant under the Consultant with whom she or he originally enrolled as a Preferred Customer; or (ii) close her or his account and wait a total of ninety (90) days before enrolling as a Consultant with a different Sponsor. See the PC Perks Terms and Conditions located in the Pulse Business Development Library.

If two Consultants both claim to be the Sponsor of an Applicant, R+F shall regard the first Consultant Application received by R+F as the controlling Consultant Application and shall designate the Consultant listed as the Sponsor on such Consultant Application as the Applicant’s Sponsor.

Resolving disputes between Consultants regarding claims of Sponsorship of another Consultant is extremely difficult, particularly when a Downline organization is implicated. Rodan + Fields reserves the sole and exclusive right to determine the final disposition of such disputes. Therefore, CONSULTANTS WAIVE ANY AND ALL CLAIMS AGAINST R+F, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES AND AGENTS THAT RELATE TO OR ARISE FROM R+F’S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT IS IMPLICATED IN A DISPUTE BETWEEN CONSULTANTS REGARDING CLAIMS OF SPONSORSHIP.
7d. Line Switching:

Each Consultant may have only one Sponsor and no Consultant shall sponsor or attempt to sponsor any person or Business Entity that has already submitted a Consultant Applicant or Business Entity Registration Form, as applicable, to R+F or that has had a Consultantship terminated within the preceding six (6) months (or any Business Entity that is controlled by such a person or Business Entity). This practice, known as “Line Switching,” is strictly prohibited, as is any attempt to circumvent the prohibition on Line Switching through the use of pseudonyms or assumed names, a spouse’s or relative’s name, trade names, DBAs or Business Entities. A Consultant is not permitted to encourage, offer or assist any other Consultant to change Sponsors or Uplines. Under no circumstance shall any Consultant offer or provide any financial or other consideration or incentive to another Consultant in exchange for such other Consultant’s agreement to terminate her or his existing Consultantship and re-apply under another Sponsor. Once a Consultant is sponsored, R+F requires that the relationship between the Consultant and her or his Sponsor be maintained and protected. A Consultant wishing to change Sponsors may do so only if she or he: (i) terminates her or his applicable Consultant Agreement and Consultantship by written notice to R+F as provided herein; (ii) does not participate in the Program in any capacity for six (6) consecutive months after the effective date of such termination; and (iii) re-applies to become a new Consultant after such six (6) month period and is reaccepted by R+F in accordance with Section 3a.

In cases wherein a Consultant enrollment has occurred due to mistake, inadvertence or error, the Consultant must notify the Sales Support Department within two (2) Business Days of the enrollment to request a correction of the original enrollment Sponsor.

If two Consultants both claim to be the Sponsor of an Applicant, R+F shall regard the first Consultant Application received by R+F as the controlling Consultant Application and shall designate the Consultant listed as the Sponsor on such Consultant Application as the Applicant’s Sponsor.

Resolving disputes between Consultants regarding claims of Sponsorship of another Consultant is extremely difficult, particularly when a Downline organization is implicated. Rodan + Fields reserves the sole and exclusive right to determine the final disposition of such disputes. Therefore, CONSULTANTS WAIVE ANY AND ALL CLAIMS AGAINST R+F, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES AND AGENTS THAT RELATE TO OR ARISE FROM R+F’S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT IS IMPLICATED IN A DISPUTE BETWEEN CONSULTANTS REGARDING CLAIMS OF SPONSORSHIP.

SECTION 8: ORDERING PROCEDURES

8a. General:

Consultants must order all R+F Products, R+F Marketing Materials and R+F Business Supplies from R+F or its approved third party suppliers. All orders are subject to acceptance by R+F or R+F’s applicable third party suppliers. Orders for R+F Products may be placed via the R+F Website, Pulse Personal Websites (PWS) or by telephone. Orders for R+F Marketing Materials and R+F Business Supplies may be placed on the RF Mall.

8b. Cut-Off Date:

All orders are credited to a Consultant’s account for the Commission Period in which the order was placed. In order for a Consultant to be credited for an order in a particular month, the payment must be processed by 11:59 p.m. Pacific Time on the last day of the month. For all orders processed via the R+F Website, Pulse Personal Website (PWS) or by telephone, the cut-off for receipt of orders to be included in Commission and Performance Bonus calculations for any given month is 11:59 p.m. Pacific Time on the last day of that month. Consultants may monitor their Sales Volume via Pulse and are responsible for reporting any issues or inaccuracies within twenty-four (24) hours after the last day of the month. Rodan + Fields shall not be liable for incorrect, incomplete, lost or mailed orders.
8c. Placing Orders Under Another Identification Number:
Consultants must place all orders using their own Identification Numbers and credit cards. Placement of an order by a Consultant using another Consultant’s Identification Number or using another individual’s, Customer’s, or Consultant’s credit card without the holder’s express written consent is strictly prohibited.

8d. Forms of Payment:
In order to simplify the payment process, facilitate the shipment of orders and maintain accurate Consultant account records, R+F requires payment using a Visa, Master Card, Discover Card or American Express credit card. Rodan + Fields will not accept personal checks, money orders or cash.

8e. Shipping and Handling Charges:
Shipping and handling charges will be applied on applicable orders and will be automatically included as part of the “Shopping Cart” order entry process.

SECTION 9: SHIPMENTS

9a. General:
After R+F has accepted and processed an order, it will use reasonable efforts to ship the order to the address specified in the order using a carrier chosen by R+F. Risk of loss or damage will pass to the ordering Consultant upon the carrier’s confirmation of delivery to the specified address. Orders are shipped on Business Days only. Consultants should allow up to two (2) Business Days for order processing and an additional five to seven (5-7) Business Days for delivery. Orders can be shipped only to a street address within the 50 United States, the District of Columbia, Puerto Rico, Guam, and in most cases Military APO/FPO or Military P.O. Box addresses. Rodan + Fields will use reasonable efforts to fill Consultants’ and Customers’ orders, but will not be liable for any damages arising from any failure to fill orders or any delay in delivery.

9b. Special Handling:
Some R+F Products require special handling as specified by federal, state and local regulations governing the shipping of these items. The method of shipment for these items is dictated by these regulations. Rodan + Fields complies with these regulations and therefore the shipment of some products to certain locations may not be possible. Please contact the R+F Customer Service Department for additional shipping information.

9c. Shipment to APO/FPO/PO Boxes:
Most R+F Products may be shipped to Military APO/FPO or Military P.O. Box addresses, but some restrictions may apply. Orders being sent to Military P.O. Boxes or Military APO/FPO addresses must be shipped via United States Postal Service and cannot be shipped via overnight or second day service.
9d. Shipments to Alaska and Hawaii, Hawaii, Puerto Rico or Guam:

Most R+F Products can be shipped to Alaska, Hawaii, Puerto Rico and Guam, but some restrictions apply and additional shipping and handling charges may apply. Priority shipping methods (overnight or second day service) are not available for certain locations in Alaska or Hawaii.

9e. Order Tracking:

Following placement of an order with R+F, a tracking number will be provided via a shipment confirmation e-mail within five (5) Business Days. A Consultant (or her or his Customer for whom the order was placed) may contact the R+F Customer Service Department if such an e-mail is not received for order-tracking information. Order-tracking information may also be available on Pulse.

9f. Non-Deliverable Orders:

In some cases, an order may be returned to R+F if the carrier is unable to deliver it to the specified shipping address. This may happen because:

- the Consultant or Customer did not accept the order when it was delivered by the carrier;
- the Consultant or Customer was unavailable to accept delivery for orders that require signature upon delivery (it is R+F’s sole discretion to deliver with or without signature required); or
- the Consultant or Customer provided invalid or incorrect shipping information.

When this occurs, R+F will refund the order less the cost of shipping and neither the Consultant nor the Consultant’s Upline will receive any credit for the order. If the order has already been credited to the Consultant’s Sales Volume, the credit (and any associated awards, Commissions or Performance Bonuses) will be canceled. In cases where the ordered item included a Business Portfolio or Business Building Kit, the order cancellation will result in termination of the new Consultant’s account.

9g. Canceled Orders:

Consultants understand that once orders have been placed they cannot be canceled. Rodan + Fields will use reasonable efforts to refund an order placed in error. Since orders cannot be canceled, a Consultant must follow the procedure applicable to Returns under the Customer Satisfaction Guarantee as described in Section 10c. Replacements or refunds for such orders are also handled in the same manner as described in Section 10c.

9h. Missing Items:

When an item is missing from an order, the Consultant or Customer is requested to contact the R+F Customer Service Department. If R+F determines that the item was not shipped with the original order, it will use reasonable efforts to ship the missing item to the address specified by the Consultant at no charge within three to five (3-5) Business Days. Out-of-stock items may require a longer period. For additional information regarding out-of-stock items, refer to Section 9i.

9i. Out-of-stock Items:

Rodan + Field’s inventory control procedures are intended to ensure that shortages of R+F Products rarely occur. However, should an item not be available, Consultants will have the option of waiting for the backordered item to be re-
stocked or cancelling the order. Rodan + Fields makes every effort to ensure that Consultants receive the associated
volume for an out-of-stock item when processing backorders. Consultants who opt to cancel an order will be issued a
prompt refund and will not receive the Sales Volume associated with the order.

9j. Discontinued Items:
Rodan + Fields may at any time discontinue the manufacture and/or sale of any R+F Products, or make any changes in
their respective prices, quality, performance, standards, grades, contents, place of origin or otherwise, in its sole
discretion. Rodan + Fields will have no liability to any Consultant based on any such discontinuation or change. When
an item is discontinued, orders will not be accepted for such items. Rodan + Fields will use reasonable efforts to
notify Consultants of the date of discontinuance.

SECTION 10: RETURN PROCEDURES

10a. General:
All Customers and Consultants who wish to return R+F Products to R+F for any reason must complete an R+F Return
Authorization Form located on the back of the R+F Invoice. Only items for which a refund is available pursuant to
Section 10 should be returned to R+F. Items returned for which no refund is available will be discarded. For
information on how return adjustments may affect Qualifications, Commissions and Performance Bonuses, refer to
Section 12c.

Rodan + Fields reserves the right to review and terminate any Consultant Agreement for excessive or improper return
activity.

10b. Returns of Defective or Damaged Products:
For any items that were defective at the time that R+F delivered them to the carrier, R+F will, at the option of the
Consultant or Customer: (i) replace and ship replacements for the defective items to the Consultant or applicable
Customer at no additional charge if replacements are available; or (ii) refund the amounts paid for the items by
crediting 100% of the purchase price, sales tax, and shipping and handling charges on the credit card used to make
the purchase. The determination of whether the product was defective at the time of shipment shall be made by R+F
in its sole discretion.

10c. Returns Under the Customer Satisfaction Guarantee:
If for any reason a Customer or Consultant is not completely satisfied with any R+F Product, she or he may return the
unused portion of the product within sixty (60) days from the date of order for a 100% refund of the amount paid (less
shipping and handling charges) and sales tax on the credit card used to make the purchase. In the event of a product
resale conducted directly between a Consultant and a Customer, a Consultant must provide an R+F sales receipt in
order to be covered under the Customer Satisfaction Guarantee. (For additional information on Retail Sales Receipts,
refer to Section 6i.) The cost to return ship the R+F Products shall be borne by the Customer or Consultant. The
Customer or Consultant may place a separate order for replacement products if desired.

Business Building Kits returned within sixty (60) days of purchase are refundable under the customer satisfaction
guarantee only if returned with all components of the Business Building Kit included. No refunds will be issued for a
partial return from a Business Building Kit. Rather, a Consultant who returns a partial Business Building Kit will be
offered a product replacement of equal value, less applicable shipping and handling charges. For additional information on Business Portfolios, refer to Section 5a.

10d. Return of Unsold Inventory by a Terminating Consultant:

A terminating Consultant may return unsold R+F Products and/or Business Building Kits that she or he personally purchased from R+F after sixty (60) days and up to one year* from date of purchase for a refund if she or he is unable to sell or use the items and the items are resalable (see Section 10e below). Upon R+F’s receipt of the returned products, R+F will refund 90% of the original purchase price of the resalable items less applicable setoffs. The refund will be credited to the same credit card used for the original order or by such other method as determined by R+F.

Consultants who voluntarily terminate must submit a Termination Notice Form to the Sales Support Department which will be effective upon receipt. Return of a Business Building Kit that includes the Business Portfolio will be considered a termination of the Consultantship.

*One year requirement is not applicable to residents of Maryland, Wyoming, Massachusetts and Puerto Rico.

10e. Resalable Items:

R+F Products are “resalable” only if they meet all of the following requirements:

- the items are unopened and unused;
- the packaging and labeling are current and have not been altered or damaged;
- the items and their packaging are in such condition that it is commercially reasonable within the trade to sell the items at full price;
- the items, at the time of purchase, are not identified as non-returnable, discontinued or seasonal items; and
- Business Building Kits must meet all of the above requirements and must also have all components of the Kit included in the return.

10f. Items Purchased on RF Mall:

Rodan + Fields Marketing Materials, R+F Business Supplies and other items purchased on the RF Mall are supplied by a third party supplier and R+F cannot accept returns of any such items. The return procedures applicable to such items are posted on the RF Mall online.

SECTION 11: ADVERTISING AND USE OF R+F TRADEMARKS AND OTHER R+F CONTENT

11a. General:

The R+F Trademarks and R+F Content represent R+F’s quality, integrity and service, and are valuable business assets that support a robust and equitable sponsoring opportunity for R+F Consultants. The R+F Trademarks, when properly used, lend strength, professionalism, and credibility to Consultantships. Accordingly, R+F and Consultants have a mutual interest in protecting the integrity of the R+F Trademarks. For this reason, Consultants must use the R+F Trademarks and R+F Content only as permitted by Section 11. Any content or trademark visible to the public must be approved R+F Trademarks and R+F Content made available on the R+F Website, Pulse Personal Websites (PWS), the
Pulse Business Development Library, and/or by the Company. The R+F Trademarks and R+F Content are defined in Appendix B.

11b. Trademark Ownership:

Rodan + Fields is the sole and exclusive owner of all right, title and interest in the R+F Trademarks and R+F Content, including all related intellectual property and proprietary rights, subject only to the specific licenses granted to Consultants in Section 11. Except as expressly set forth in this Section, Consultants shall not acquire or claim any rights in any R+F Trademarks or R+F Content. No Consultant’s use of any R+F Trademark or R+F Content shall give the Consultant any right, title or interest in or to the R+F Trademark or R+F Content and all such use and associated goodwill will inure solely to the benefit of R+F.

11c. License:

Subject to full compliance with the terms and conditions of the Consultant Agreement and this Section 11, R+F grants each Consultant a non-transferable, non-exclusive right during the term of the Consultant Agreement to use the R+F Trademarks solely to promote the R+F Products and to indicate that the Consultant is an authorized R+F Independent Consultant.

11d. Restrictions:

Consultants are not permitted to: (i) use any trademark or service mark confusingly similar to any R+F Trademark or R+F Content; (ii) combine any R+F Trademark or R+F Content with any other mark; (iii) remove any R+F Trademark or R+F Content from the R+F Products, R+F Marketing Materials or R+F Business Supplies; (iv) use or register any domain name that includes any R+F Trademarks, R+F Content or any mark confusingly similar; (v) use any R+F Trademark or R+F Content in connection with any products other than the genuine R+F Products; (vi) use any R+F Trademark or R+F Content in connection with any other business or opportunity other than the Consultantship; (vii) register or attempt to register any R+F Trademarks or similar trademarks in any class of products or services anywhere in the world; (viii) use any trade name or business name in connection with their Consultantships that includes any R+F Trademark or R+F Content; or (ix.) use the Proactiv® Trademark on or in connection with any R+F Products, R+F Marketing Materials or R+F Business Supplies, or otherwise in connection with their Consultantships. For a list of R+F Trademarks, refer to Appendix B Glossary.

11e. R+F Marketing Materials and Business Supplies:

Rodan + Fields has arranged for approved R+F Marketing Materials and Business Supplies to be available to Consultants for use in promoting the R+F Products and the Program. These materials are available through the RF Mall, the Consultant Only category on the R+F Website and the Pulse Personal Websites (PWS), and the Pulse Business Development Library. If Consultants have particular needs for R+F Marketing Materials or Business Supplies that are not available through the RF Mall or from the Company, Consultants may submit suggestions to the R+F Marketing Department at Marketing@rodanandfields.com. Rodan + Fields, however, is under no obligation to provide specially-requested R+F Marketing Materials or Business Supplies.

R+F’s specific policies regarding Consultant-created Marketing Materials are as follows:
Trademark Merchandise

Consultants who wish to use items with the R+F Trademarks, including the R+F logos, may purchase merchandise approved by R+F through the RF Mall, the Consultant Only category of the R+F Website and the Pulse Personal Websites (PWS) and approved third party suppliers. Consultants are not permitted to add R+F Trademarks to any other items or merchandise. Co-branding Consultant team logos with R+F Trademarks, including the R+F logos, is not permitted. The R+F Trademarks are defined in Appendix B.

Flyers/Invitations

Consultants are encouraged to use the Marketing Materials, including flyers and invitations, that R+F makes available on the RF Mall and in the Pulse Business Development Library. Consultants may also purchase customizable invitations offered by approved third party suppliers of R+F. Consultants may not create their own flyers or invitations to advertise or promote the R+F Products or the Program.

Videos

Consultants may use R+F corporate videos to advertise or promote the R+F Products and the Program. Corporate videos must be re-posted in their entirety and may not be modified in any way. It is the Consultants’ responsibility to ensure that they are using the most current version of R+F videos. Consultants may also post personal videos of their own photos or video clips to share their own story without using the R+F Trademarks or R+F Content. If Consultants use the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any personal video, it is solely their responsibility to ensure that they have received the proper license to use such intellectual property and to pay the appropriate license fee. No other videos are approved for Consultant use, and as such, Consultants may not create videos that combine personal material with the R+F Trademarks or R+F Content. Finally, the videography of guest speakers at R+F corporate events may be prohibited and Consultants must comply with any specific instructions in that regard.

Business Presentations

Consultants may use the business presentations that R+F has made available through the RF Mall, the Consultant Only category of the R+F Website and the Pulse Personal Websites (PWS), and the Pulse Business Development Library to promote the R+F Products and the Program. Corporate business presentations must be re-posted in their entirety and may not be modified in any way. It is the Consultants’ responsibility to ensure that they are using the most current version of R+F business presentations; no other business presentations are approved for Consultant use.

Training Tools

Consultants are encouraged to use the training tools that R+F has made available through the RF Mall, the Consultant Only category of the R+F Website and the Pulse Personal Websites (PWS), and the Pulse Business Development Library to advertise or promote the R+F Products and the Program. Training tools that are not compliant with these Policies and Procedures may be subject to compliance action.

11f. General Advertising Policies:

Consultants are expected to engage in responsible, legal and environmentally friendly advertising and marketing activities directed to Customers, potential Customers or potential Consultants. Appropriate locations for distribution of
advertising and marketing materials include bulletin boards and message boards located in public places and private businesses. Inappropriate forms of advertising include signage on telephone poles and flyers left on car windshields.

11g. Mass Media Advertising:
As a matter of fairness to all R+F Consultants, Consultants are not permitted to advertise the R+F Products or the Program on television, radio, billboards, national print, online publications, through mass mailings or through channels otherwise deemed inappropriate by R+F. Subject to the other requirements of this Section, Consultants are permitted to advertise in their local newspaper, community newsletters, local opportunities, through their local Chamber of Commerce and through telephone book listings provided the advertisement does not exceed $500 value (per activity). Telephone directory listings must comply with Section 11p below.

Consultants may not advertise under the “help wanted” section of any newspaper or other directory, nor may any advertisement state or imply that the Consultant is seeking to employ or hire an individual or that the Consultant is an agent or recruiter for the Company. Advertisements may be placed under the “business opportunity” section of a newspaper or other directory, and the ad must clearly indicate that the opportunity being presented is that of an independent contractor as an Independent Consultant for Rodan + Fields.

11h. Selling via the Internet:
Consultants may sell the R+F Products through their Pulse Personal Websites (PWS) or through the R+F Website and may also direct Customers to purchase the R+F Products through the R+F Website. Sales of the R+F Products through any other website, including but not limited to Internet auction sites such as eBay or Amazon, or third party bulletin board websites such as Craigslist, are strictly prohibited.

11i. Search Engines, Keywords and Meta-Tags:
Consultants agree to cooperate fully with R+F so that Internet search engines list the R+F Website as the first search result when an Internet user makes a query containing the name “Rodan + Fields,” any R+F Trademark or R+F Content. Consultants may not bid on or purchase (or encourage or solicit any third party to bid on or purchase) any R+F Trademark, R+F Content or any term containing any R+F Trademark or R+F Content as a meta-tag, keyword, paid search term, sponsored advertisement or sponsored link used to trigger search results.

If Consultants wish to use any such meta-tags or search-based advertising programs to advertise the R+F Products or their Consultantships, they may do so only using generic, unbranded search terms such as “cosmetics,” “skincare,” “beauty,” etc.

11j. Pulse Program:
Pulse is a proprietary suite of web-based tools that provides business and Customer relationship management resources to R+F Consultants to support team growth, product sales, Downline productivity, and Customer satisfaction and retention. Pulse is available in two versions, Pulse Pro and Pulse. Pulse Pro is an advanced suite of tools available through a monthly subscription program. Pulse is available to all Consultants.

Pulse Pro features two (2) personal websites through which Consultants may sell the R+F Products and enroll new Consultants, with all transactions automatically linked directly to their R+F Consultant Identification Numbers.

It is the responsibility of each Consultant to ensure that her or his Pulse Pro website fully complies with the Pulse Terms and Conditions, the R+F Website Terms and Conditions, these Policies and Procedures and all applicable
federal and state rules and regulations. The requirement of compliance also extends to any social networking site that is linked from a Consultant’s Pulse Personal Website (PWS). Rodan + Fields reserves the right to disable any link from a Consultant’s Pulse Personal Website (PWS) to a non-compliant social networking site or posting. The PWS may not be promoted or marketed via mass media as outlined in Section 11g. For additional information regarding social networking refer to Section 11k and to the Social Networking Guidelines located in the Pulse Business Development Library. For additional information regarding Pulse Personal Websites (PWS) content requirements refer to the PWS Submission Guidelines located in the Pulse Business Development Library.

11k. Social Networking and Social Media:

Rodan + Fields encourages Consultants to join social networking sites, online forums, discussion groups, blogs, and other forms of Internet communication to leverage the power of the R+F brand and to communicate the benefits of the R+F Products and the Program. Online social networks may be used to drive traffic to Pulse Personal Websites (PWS) or to the R+F Website. Social networks include such sites as Facebook, LinkedIn, Twitter, etc.

Social media sites may not be used to sell the R+F Products. Profiles a Consultant generates in any social community where R+F, the R+F Products or the Program are discussed or mentioned must clearly identify the Consultant as an R+F Independent Consultant, and when a Consultant participates in those communities, Consultants must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at R+F’s sole discretion and offending Consultants will be subject to disciplinary action. If a link is provided, it must link to the posting Consultant’s Pulse Personal Website (PWS) or to a Consultant’s Independent Website that has been approved by R+F pursuant to Section 11l.

Consultants may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Consultants create or leave must be useful, unique, relevant and specific to the blog’s article.

Consultants who use social networking sites must also comply with the rules associated with that particular website or network. For example, some sites prohibit users from advertising products or promoting financial opportunities. Federal and state agencies have established guidelines and rules for what may and may not be communicated and even a Consultant’s personal experience may not conform to these regulatory guidelines. Consultants who provide testimonials on social networking sites and otherwise on the Internet are responsible for ensuring that their testimonials comply with all applicable laws and regulations. Among other things, Consultants shall not: (i) make any specific income claim or commitment to any amount of income that others may realize as an R+F Consultant; (ii) make any guarantee of success; or (iii) suggest that a specific amount of inventory must be purchased at the time of enrollment. Consultants may describe, in general terms, the positive impact of R+F on their lifestyle or the positive results they have personally experienced from using the R+F Products so long as the requirements of Section 6c regarding Product Claims and Section 6d regarding Income Claims are met.

In addition to the foregoing general provision, R+F’s specific policies regarding Social Networking and Social Media are as follows:

Consultants Are Responsible for Postings

Consultants are personally responsible for their postings and all other online activity that relates to R+F. Therefore, even if a Consultant does not own or operate a blog or social media site, if a Consultant posts to any such site that relates to R+F or which can be traced to R+F, the Consultant is responsible for the posting. Consultants are also responsible for postings which occur on any blog or social media site that the Consultant owns, operates or controls.

Identification as an R+F Independent Consultant
Consultants must disclose their full names on all social media postings, and conspicuously identify themselves as R+F Independent Consultants. In addition to the foregoing, Consultants may use the R+F Independent Consultant logo in social networking profiles. The R+F Independent Consultant logo is available in the Pulse Business Development Library. Anonymous postings or use of an alias is prohibited.

**Deceptive Postings**

Postings that are false, misleading or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the R+F Products, the Program, and/or Consultant biographical information and/or credentials.

**Use of Third Party Intellectual Property**

If Consultants use the trademarks, trade names, service marks, copyrights, or intellectual property of any third party in any posting, it is solely their responsibility to ensure that they have received the proper license to use such intellectual property and pay the appropriate license fee. All third party intellectual property must be properly referenced as the property of the third party, and Consultants must adhere to any restrictions and conditions that the owner of the intellectual property places on the use of its property.

**Respecting Privacy**

Consultants must respect the privacy of others and be judicious in their postings. Consultants must not engage in gossip or advance rumors about any individual, company or competitive products or services.

**Professionalism**

Consultants must conduct themselves with professionalism on social networking sites. This requires that Consultants ensure that their postings are truthful and accurate. Consultants should also carefully check their postings for spelling, punctuation and grammatical errors. Social networking sites are not proper forums to publish grievances or take retaliatory action. Report negative posts to the Compliance Department at Compliance@rodanandfields.com.

**Prohibited Postings**

Consultants may not make any posting, or link to any posting or other material, that:

- Is sexually explicit, obscene or pornographic;
- Is offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability or otherwise);
- Is solicitous of any unlawful behavior;
- Engages in personal attacks on any individual, group, or entity;
- Is in violation of any intellectual property rights of the Company or any third party; or
- Is not consistent with the standards set forth in these Policies and Procedures.

**Social Media and Online Presence with Independent Website-like Features**
Rodan + Fields reserves the sole and exclusive right to classify a Consultant’s social media and online presence as the functional equivalent of operating an independent website. In such an instance, the Consultant must adhere to the Company’s policies regarding Independent Websites. For example, a blog, a website developed on a blogging platform, and other social media presence that is developed for the primary purpose of marketing or promoting the R+F Products or the Program may be classified by the Company as an independent website. For additional information on Independent Websites, refer to Section 11l.

**Termination of the Consultant Agreement**

If a Consultant Agreement is terminated for any reason, the Consultant must discontinue using the R+F name, all of the R+F Trademarks, trade names, service marks, other intellectual property and all derivatives of such marks and intellectual property, in any postings and on all social media sites that she or he utilizes. If the Consultant posts on any social media site on which she or he has previously identified herself or himself as an R+F Independent Consultant, she or he must conspicuously disclose that she or he is no longer an R+F Independent Consultant.

11l. Independent Websites:

Rodan + Fields provides Consultants with their own Pulse Personal Websites (PWS) from which they can market the R+F Products and the Program.

However, if a Consultant wishes to develop their own independent website to promote R+F, the R+F Products, or the Program, they may do so if they execute an Independent Consultant Website Application and Agreement with the Company. The Independent Website Agreement is located in the Pulse Business Development Library. Consultants must strictly comply with the terms of the Independent Website Agreement, including all sections regarding changes or modifications to said websites. In addition, Consultants must retain an attorney from R+F’s list of approved counsel, and the attorney must review the Consultant’s Independent Website and issue an opinion letter to R+F stating that in the attorney’s opinion, the Website complies with: (1) R+F’s Policies and Procedures; (2) the terms of the Independent Website Agreement; and (3) all applicable laws and regulations. The opinion letter must also state that R+F is entitled to rely on the opinion. It shall be the Consultant’s responsibility to pay the attorney’s fees and any legal expenses associated with the legal review and opinion relating to her or his website.

11m. Unsolicited Faxes and E-mails:

A Consultant may not use or transmit unsolicited faxes, mass e-mail distribution, unsolicited bulk e-mail or engage in “spamming” in connection with the advertising, promotion or sale of the R+F Products or the Program, or the operation of their respective Consultantships. The terms “unsolicited faxes” and “unsolicited bulk e-mail” mean the transmission via telephone facsimile or bulk electronic mail (i.e., similar message emailed to numerous recipients), respectively, of any material or information to any person on an unsolicited basis. The exceptions to this prohibition are faxes and e-mail to: (i) any person who gave the Consultant prior consent to send such fax or e-mail; or (ii) any person with whom the Consultant has an established business or personal relationship, as defined in Section 60. Any e-mail sent by or for a Consultant advertising or promoting the R+F Products, the Program or the Consultant’s Consultantship must comply with requirements applicable to commercial e-mailers found in the Controlling the Assault of Non-Solicited Pornography and Marketing Act (“CAN-SPAM”) and the related FTC regulations, and any other applicable laws and regulations.

Without limitation of the preceding paragraph, any electronic messages sent by e-mail, social networking sites or other means by a Consultant advertising or promoting the R+F Products, the Program or the Consultant’s Consultantship must meet all of the following requirements:
the e-mail must clearly identify the Consultant as the sender of the e-mail and as an R+F Independent Consultant;
there must be a functioning return e-mail address to the sender;
there must be a notice in the e-mail that advises the recipient that she or he may reply to the e-mail via the functioning return e-mail address to request that future e-mail solicitations or correspondence not be sent to her or him (a functioning “opt-out” notice);
the e-mail must include the Consultant’s physical mailing address;
the e-mail must clearly and conspicuously disclose that the message is an advertisement or solicitation;
the use of deceptive subject lines and/or false header information is prohibited; and
all “opt-out” requests, whether received by e-mail or regular mail, must be honored.

It is understood that Consultants may send individual messages via email or social networking sites to persons they do not know but who are in the wider network of people they do know. Consultants are required to use their best judgment to respect the privacy and other interests of such persons and to follow all of the foregoing rules regarding the transmission of electronic messages.

Rodan + Fields may periodically send commercial e-mails on behalf of Consultants and Consultants agree that R+F may send such e-mails and that the Consultants’ physical and e-mail addresses may be included in such e-mails as outlined above.

11n. Domain Names and E-mail Addresses:
Consultants may not use or register any domain name or e-mail address that consists of or contains any R+F Trademark, R+F Content, or any mark confusingly similar, except that Consultants may use a domain name or e-mail address that is provided by R+F in connection with their respective Pulse Personal Websites (PWS). Domain names used in connection with any Pulse Personal Websites (PWS) must be in good taste and exhibit no vulgarity. Rodan + Fields reserves the right to prohibit the use of domain names deemed inappropriate by R+F in its sole discretion.

11o. Newsletters:
Consultant-created newsletters may be used for providing members of a Consultant’s Downline with information on meetings, functions and events, for purposes of encouragement, motivation and recognition. A Consultant may use R+F Trademarks or R+F Content that R+F provides for such purposes in newsletters that they distribute to her or his Downlines. In addition to the foregoing, newsletters must comply with the following:

- the newsletter must clearly identify the Consultant as the publisher of the newsletter, must identify the Consultant as an R+F Independent Consultant, and must include the R+F Independent Consultant logo;
- the newsletters must include the Income Disclaimer and the Product Disclaimer where appropriate (the Income Disclaimer and the Product Disclaimer are defined in Appendix B.);
- the newsletter must not reference earnings based on recruiting or sponsorship activities;
- the newsletter must not be used to sell, advertise or promote any product, service or program other than the R+F Products or the Program; and
the newsletter may contain articles and other R+F Content taken from the Insider Scoop or other downloadable R+F Content that R+F makes available for such purposes, provided that: (i) the R+F Content is reproduced exactly as it originally appeared in the R+F Marketing Materials without any modification; (ii) R+F or the applicable individual author is credited as the author of the R+F Content; and (iii) all copyright, trademark and other proprietary notices are reproduced with the R+F Content as they originally appeared in the Pulse Business Development Library.

Each Consultant represents and warrants that any material or content that appears in her or his newsletters (other than material or content provided by R+F) does not and will not infringe or misappropriate any patent, copyright, trademark, trade secret, publicity, privacy or other rights of any third person and is not and will not be hateful, discriminatory or vulgar.

11p. Telephone Directory Listings and Advertising:

Telephone and Online Directories: A Consultant who wishes to appear in a telephone directory or other similar directory must list her or his name alphabetically according to her or his surname or, if the Consultant is a Business Entity, the trade name, business name or DBA of the Business Entity. If the directory permits, the Consultant’s name may be followed by the words “Rodan + Fields Independent Consultant” and the Consultant’s name, address and telephone number. A Consultant is permitted to advertise her or his Consultantship through telephone directory display ads provided she or he only uses approved R+F Trademarks.

Toll-Free Numbers: A Consultant may use and advertise toll-free telephone numbers in connection with her or his Consultantship, which must be listed in accordance with the guidelines above. A Consultant may not state or imply that her or his toll-free number is an R+F number or is linked to any R+F location. In addition, any use of a toll-free number in connection with infomercials or any other television programs is prohibited.

Answering the Phone: A Consultant may not answer (or have any phone answering service or device answer) the telephone by saying “Rodan + Fields,” or in any manner that would lead the caller to believe that she or he has reached R+F or an R+F office. A Consultant is permitted to state that she or he is an Independent Consultant or Independent Executive Consultant for Rodan + Fields.

Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have “do not call” regulations as part of their telemarketing laws. Although R+F does not consider Consultants to be “telemarketers” in the traditional sense of the word, these government regulations broadly define the term “telemarketer” and “telemarketing” so that a Consultant’s inadvertent action of calling someone whose telephone number is listed on the federal “do not call” registry could cause her or him to violate the law. These regulations must not be taken lightly, as they carry significant penalties.

Therefore, Consultants must not engage in telemarketing in the operation of their R+F Consultantships. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of the R+F Products or to discuss the Program. “Cold calls” made to prospective Customers or Consultants that promote the R+F Products or the Program constitute telemarketing and are prohibited. Consultants shall not place or initiate any outbound telephone call to any person that delivers any pre-recorded message (a "robocall") regarding or relating to the R+F Products or the Program. However, a telephone call(s) placed to a prospective Customer or Consultant (a "prospect") is permissible under the following situations:
- The Consultant has an established business relationship with the prospect based on the prospect’s purchase of products from the Consultant within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of products;

- The Consultant receives the prospect’s personal inquiry regarding the R+F Products or the Program within the three (3) months immediately preceding the date of such a call;

- The Consultant receives written and signed permission from the prospect authorizing the Consultant to call. The authorization must specify the telephone number(s) that the Consultant is authorized to call; and

- Consultants may call family members, personal friends and acquaintances. An “acquaintance” is someone with whom the individual has had at least a first-hand relationship within the preceding three (3) months.

11q. Personal Videos and Photographs:

Personal videos, audio tapes or other recordings of R+F corporate events, Dr. Katie Rodan, Dr. Kathy Fields or R+F employees are strictly prohibited by anyone other than authorized Company representatives. Personal photographs of Dr. Katie Rodan, Dr. Kathy Fields or R+F employees may be used on social networking profiles, so long as said photographs are of high quality and, in the sole discretion of R+F, do not portray Dr. Rodan, Dr. Fields, or R+F employees in a negative light or in a way that may embarrass or damage the reputation of R+F or the individuals appearing in the photograph. Consultants may distribute, reproduce or post on the Internet videos, photographs or recordings that are made available by R+F for use by Consultants.

11r. Reporting Online Policy Violations:

R+F encourages all Consultants to participate in social networking as outlined in these policies. It is the responsibility of all Consultants to work together to promote R+F in an appropriate manner to maintain brand integrity. If a Consultant suspects a policy violation, please report as much information as possible, including detailed descriptions and screenshots, to Compliance@rodanandfields.com.

11s. Social Networking and Independent Website Termination:

In the event of a voluntary or involuntary termination of an R+F Consultant Agreement, a Consultant is required to remove all references to R+F from social networking profile(s) from public view within ten (10) days of the date of termination. If the Consultant has a specific R+F social networking group presence, she or he is required to remove her or his social networking group from public view within ten (10) days of the date of termination. The name of the social networking group may be transferred to another R+F Consultant, subject to R+F approval. Removal of references to R+F from independent websites is subject to the provisions in the Independent Consultant Website Application and Agreement.

SECTION 12: COMPENSATION

12a. General:

The Compensation Plan is attached as Appendix A to these Policies and Procedures and is incorporated into and made a part of these Policies and Procedures. The Compensation Plan identifies the earning opportunities available to Consultants and sets forth the sales and organizational requirements necessary to earn Commissions and Performance Bonuses. The Compensation Plan is built upon sales of the R+F Products to Customers. Consultants who meet
minimum Sales Volume requirements are eligible to earn Commissions and Performance Bonuses as described in this Section and in the Compensation Plan.

12b. RF Payday Account:

Rodan + Fields uses an independent third-party payment processor (“Payment Processor”) to pay Commissions and Performance Bonuses earned by Consultants through the R+F Compensation Plan. The Payment Processor will set up an account for Consultants (an “RF Payday Account” or “wallet”) and will deposit monies owed to Consultants into their RF Payday Accounts. With the exception of certain Performance Bonus payments made on an exception basis, all Commissions or Performance Bonuses that Consultants may earn will be paid through the RF Payday program. (Pursuant to Section 12f, a Consultant must earn at least $20 in Commissions and/or Performance Bonuses before she or he will receive payment to her or his RF Payday Account.) This payment processing service may be terminated or modified by R+F or the Payment Processor at any time upon notice as specified in these Policies and Procedures. Consultants may manage their RF Payday Accounts through Pulse or may direct inquiries to RF Payday support via phone at 877-604-8455 or via e-mail at support@payday.myrandf.com. For additional information refer to the RF Payday FAQs located in the Pulse Business Development Library.

CONSULTANTS WAIVE ANY AND ALL CLAIMS AGAINST R+F, THE PAYMENT PROCESSOR AND THEIR OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS IN THE EVENT THAT R+F AND/OR ITS PAYMENT PROCESSOR MAKE AN ERROR THAT RESULTS IN AN UNDERPAYMENT OR OVERPAYMENT TO A CONSULTANT, AND EACH CONSULTANT AUTHORIZES R+F, THROUGH THE PAYMENT PROCESSOR, TO DEBIT OR CREDIT HER OR HIS ACCOUNT AS NECESSARY TO CORRECT ERRORS.

12c. Commission Period:

A Commission Period under the Compensation Plan is equivalent to a calendar month. Orders received on the last day of a Commission Period via the R+F Website or Consultants’ Pulse Personal Websites (PWS) by 11:59 p.m. Pacific Time will be included for that Commission Period’s Commission and Performance Bonus period calculation. All orders received after the cut-off date will be included in the Commission and Performance Bonus calculation for the following Commission Period. With respect to a Commission Period, Commission payments will be issued to Consultants no later than the 15th day following the close of that Commission Period, unless otherwise notified by R+F.

12d. Return Adjustments - Impact on Qualifications, Commissions and Performance Bonuses:

When a product is returned to R+F for a refund or funds are returned to a Consultant due to a credit card chargeback, the qualifications, Commissions and Performance Bonuses attributable to the returned product(s) or returned funds will be deducted from the Consultant’s current and future qualifications, Commissions and Performance Bonuses. These deductions will be made in the month in which the refund was given and will continue every Commission Period thereafter until the Commissions and Performance Bonuses are recovered from the Consultant who received the Commissions and Performance Bonus on the sale of the returned product or disputed charge. In the event any Consultant terminates her or his Consultantship and the amounts of the Commissions and Performance Bonuses attributable to the returned product(s) or returned funds have not yet been fully recovered by R+F, the remainder of the outstanding balance may be set off against any earnings amounts owed to the terminated Consultant. Rodan + Fields reserves the right to review and terminate any account for consistently excessive or improper return activity associated with non-defective merchandise. For additional information on adjustments for returned products refer to Appendix A, Section 11.
12e. Payment for Month of Promotion:

An Executive Consultant or above is paid at the level of the highest Title for which she or he satisfies the qualification requirements during the current Commission Period. If she or he does not satisfy the qualification requirements for that Recognition Title during the current Commission Period, she or he will be paid at the level of the highest Paid-As Title for which she or he qualifies.

12f. Accrual of Commission or Performance Bonus Payments:

A Consultant must earn at least $20 in Commissions and/or Performance Bonuses before she or he will receive payment to her or his RF Payday Account. If the $20 threshold is not met, a Consultant will not receive payment to her or his RF Payday Account, including upon the Consultant’s termination. Commissions and/or Performance Bonuses earned that do not meet this $20 threshold will be accrued and paid in a later Commission Period when the Consultant’s combined earnings are $20 or more.

12g. Closure of Inactive RF Payday Accounts and Unclaimed Commissions, Performance Bonuses and Credits:

After three consecutive months of inactivity in a Consultant’s RF Payday Account which has a positive balance (example: no new deposits to the account via the Commission Plan or no transfers out of the account), a monthly $5.00 maintenance fee will be applied for each month the account is not used. An additional monthly fee of $5.00 will also be applied after six (6) months of inactivity, for a total of $10.00 each month. Rodan + Fields will attempt to notify the Consultant of the fees being imposed by sending notice to her or his last known e-mail address. Fees imposed on inactive accounts will be deducted from the current balance until the sooner of (a) the balance on the account equals $0.00, or (b) 12 months, at which point the positive balance in a Consultant’s RF Payday account will be withdrawn and the unclaimed Commissions, Performance Bonuses and Credits in the account will be paid to the appropriate state pursuant to the applicable unclaimed property laws if the monies remain unclaimed for the statutory period under applicable state law. CONSULTANTS WAIVE ALL CLAIMS AGAINST R+F, THE PAYMENT PROCESSOR AND THEIR OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS RELATING TO THE CLOSURE OF A CONSULTANT’S ACCOUNT OR WITHDRAWAL OF FUNDS, EVEN IF THE LIKELIHOOD OF SUCH DAMAGES OR LOSSES ARE MADE KNOWN TO R+F AND/OR THE PAYMENT PROCESSOR PRIOR TO THE TIME OF THE CANCELLATION OR WITHDRAWAL.

12h. Special Hiatus:

Rodan + Fields understands that from time to time special circumstances, such as medical conditions, family needs or military deployments, arise that may require a Consultant to focus her or his full attention on these situations. If that becomes the case, the Consultant may contact R+F to request a medical, maternity or military hiatus and discuss the special circumstances with R+F. The Consultant will be required to supply supporting documentation at R+F’s request. If such a situation exists and R+F approves the Consultant’s request, the Consultant will be placed on hiatus for up to four (4) months. In the case of a military deployment, a Consultant will be placed on hiatus for up to four (4) months or the length of the deployment, whichever is longer.

During this time, the Consultant will receive Commissions and Performance Bonuses on their Downlines without having to meet the monthly minimum Sales Volume requirement of the Compensation Plan. For Executive Consultants, this means that the requirements to achieve monthly minimum of 100 in Personal Sales Volume (SV) and a minimum of 600 in Personally Sponsored Level 1 Volume (PSL1V) are suspended. All other qualifications for title and level must be maintained. No Title promotions may occur while the Consultant is on hiatus, however, when the hiatus terminates naturally at the end of four (4) months, or in the case of a military hiatus at the end of four (4) months or the length of the deployment, whichever is longer, any new ECs that promoted during the Consultant’s hiatus will remain in her or
his Personal Team and the Consultant will promote at that time. Should the Consultant elect to terminate her or his hiatus early, she or he would promote at the close of the Commission Period for the month ending the hiatus, provided that the Consultant has met the monthly minimum Sales Volume and any other requirements.

SECTION 13: RELATIONSHIP TO PROACTIV® SOLUTION

Rodan + Fields does not distribute Proactiv®-branded products and has no affiliation or involvement with Guthy-Renker Corporation, the distributor of the Proactiv-branded products. Consultants should not use or display the Proactiv brand or trademark, or mention or reference any Proactiv-branded products, in connection with the sale, advertising or promotion of any R+F Products (except that Consultants may state that Dr. Rodan and Dr. Fields are the creators of Proactiv). Consultants should not compare the R+F Products to Proactiv-branded products, including with respect to any feature or benefit, or otherwise comment on Proactiv-branded products or Guthy-Renker. Consultants should not suggest in any manner that the R+F Products are endorsed by any past or future spokesperson for the Proactiv-branded products, including celebrities who have endorsed the Proactiv-branded products. Consultants are responsible for any representations or misrepresentations they make with respect to Guthy-Renker or its products.

Without limiting the general restrictions described above, Consultants shall not:

- solicit any employee of Guthy-Renker or direct any sales activity towards any person engaged in the sale of Proactiv, including but not limited to posts on the Guthy-Renker Facebook page and solicitations of individuals selling Proactiv in shopping mall kiosks;
- compare any R+F Product with Proactiv-branded products in any way (for example, do not say that an R+F Product is more effective, better suited, better priced, produces better results, etc. than Proactiv-branded products);
- state or suggest that R+F is “backed” by the Proactiv brand;
- use or display the Proactiv brand or trademark when selling any R+F Products;
- refer to any of the celebrities who endorse Proactiv-branded products when selling any R+F Products; and
- use the Proactiv brand or trademark to mislead or redirect Internet users to a site selling R+F Products (for example, do not use the word “Proactiv” in domain names, meta tags, purchased keywords or banner ads).

The only permitted use of the word Proactiv is to say that Dr. Rodan and Dr. Fields are the creators of Proactiv.

SECTION 14: TRANSFER OF CONSULTANTSHIPS

14a. Sale or Transfer of a Consultantship:

A Consultant may not sell, assign or otherwise transfer her or his Consultantship without the prior written approval of R+F.

A Consultant wishing to sell or transfer her or his Consultantship (“Seller”) must first give notice of her or his intention to sell or transfer the Consultantship to the immediate Upline Consultant in writing. It is encouraged, but not required, that the Seller offers the first right of refusal to the immediate Upline Consultant. If the Upline Consultant and the Seller finalize a mutually acceptable sale / transfer arrangement, the Seller’s Downline will compress (Roll Up) into the Upline Consultant’s existing Downline. If the immediate Upline Consultant and the Seller cannot finalize a mutually acceptable sale / transfer arrangement, the Seller may then offer to sell / transfer the Consultantship to other parties.
If the Consultantship is sold or transferred to an existing R+F Consultant who is not the Seller’s immediate Upline Consultant, the buying Consultant must leave behind their existing Downline and assume the Seller’s position. The buying Consultant's existing Downline will then compress (Roll Up) to the buying Consultant’s immediate Upline Consultant.

Rodan + Fields reserves the right to refuse any transfer request in its sole discretion. If a transfer request is approved, the Seller must work with the buying Consultant and RF Payday to convert the RF Payday Accounts accordingly. For additional information regarding RF Payday refer to Section 12b.

14b. Divorce/Separation:

Spouses and common law married couples must operate as a single Consultantship, whether as individual proprietors or through a Business Entity. At such time as a marriage may end in divorce or separation, arrangements must be made to ensure that the Consultantship, other Consultants in the applicable Upline and R+F are not adversely affected. If R+F determines in its sole discretion that a divorce or separation of Consultants will adversely affect the Consultantship, other Consultants or R+F, R+F may terminate the Consultant Agreement.

Upon a divorce or separation, spouses or common law married couples must do one of the following:

- One of the Consultants agrees in writing to: (i) terminate the Consultant Agreement as it applies to her or him; (ii) relinquish her or his interest in the Consultantship; and (iii) authorize R+F to pay all Commissions and Performance Bonuses to, and otherwise deal directly and solely with, the non-relinquishing spouse / partner (in which case the terminating Consultant may re-enroll as a Consultant under a new Sponsor without completing the six (6) month period pursuant to Section 7d); or
- Notwithstanding the divorce or separation, the spouses or common law married couple agree to continue to operate the Consultantship jointly on a “business-as-usual” basis, in which case R+F will continue to pay all Commissions and Performance Bonuses and otherwise deal with the spouses and common law married couple in the same manner as it did prior to the divorce or separation.

Under no circumstances will the Downline of any Consultantship of divorcing or separating spouses or common law married couples be divided. Similarly, under no circumstances will R+F split Commission or Performance Bonus payments between divorcing or separating spouses or common law married couples.

14c. Marriage of Consultants:

Should an unmarried Consultant get married to a person who is not currently a Consultant, she or he has the option of adding her or his new spouse to her or his R+F Consultantship. In the case of a Business Entity Consultant, the new spouse may become a Beneficial Owner of the Consultantship. To add a spouse to an existing Consultantship, the spouse must complete and submit a Spouse / Partner Add Form, which includes a new Consultant Application and can be found in the Pulse Business Development Library. In the case of a Business Entity Consultantship, the Consultant must report that the new spouse has become a Beneficial Owner of the Consultantship, who must also meet all applicable eligibility requirements.

Should an unmarried Consultant marry a person who is currently a Consultant, the new couple is encouraged, but not required, to work together as one Consultantship. If one of the Consultants in the marriage chooses to join the Consultantship of her or his new spouse, such Consultant must give up her or his existing Consultantship. The Consultant has the option of simply abandoning the Consultantship or selling the Consultantship pursuant to Section 14a. These are the options available to marrying Consultants who are in the same Downline, but have different
Sponsors, and to marrying Consultants who have the same Sponsor, but occupy different Legs in the Sponsor’s Downline.

Marrying Consultants may merge their two Consultantships into one Consultantship only if one of the Consultants Personally Sponsored the other Consultant.

14d. Business Entity Change of Beneficial Ownership:

In the event that a Business Entity that is a Consultant undergoes a Change of Beneficial Ownership, arrangements must be made to ensure that the Consultantship, other Consultants in the applicable Upline and R+F are not adversely affected.

A “Change of Beneficial Ownership” means, with respect to any Consultantship that is operated as a Business Entity, the sale, transfer or acquisition of any ownership interest in the Business Entity by any person or entity or group of persons or entities who are not listed on the original Business Entity Registration Form or any subsequent amendment to the Business Entity Registration Form, that is on file with the Company. If R+F determines in its sole discretion that such a Change of Beneficial Ownership will adversely affect the Consultantship, other Consultants, or R+F, R+F may terminate the Business Entity’s Consultant Agreement.

Upon any Change of Beneficial Ownership, the Business Entity and each Beneficial Owner must continue to meet each of the requirements set forth in Section 5j. If a Business Entity that is a Consultant is not the surviving Business Entity upon any Change of Beneficial Owner, the new Business Entity must submit a new Consultant Application and Business Entity Registration Form to become a Consultant.

14e. Death and Incapacity:

Upon the death or incapacity of a Consultant, the Consultant’s interest in her or his Consultantship may be passed to the Consultant’s heir, trustee or other beneficiary, provided that arrangements are made to ensure that the Consultantship, other Consultants in the applicable Upline and R+F are not adversely affected. If R+F determines in its sole discretion that such a disposition of a Consultantship will adversely affect the Consultantship, other Consultants or R+F, R+F may terminate the applicable Consultant Agreement.

Appropriate legal documentation must be submitted to R+F in connection with any transfer or termination of a Consultantship upon the death or incapacity of a Consultant. Accordingly, each Consultant should consult her or his attorney to assist in the preparation of a will, trust or other testamentary instrument that will properly transfer the Consultant’s interest in her or his Consultantship. Pending receipt of such documentation, the Consultant’s heirs may request that the Consultantship be placed on hiatus pursuant to the terms of Section 12h.

When a Consultantship is transferred by will or other testamentary process with R+F’s approval, the beneficiary will acquire the right to collect Commissions and Performance Bonuses generated by the deceased Consultant’s Downline and will otherwise assume all the rights and obligations of the deceased Consultant under the Consultant Agreement, provided the following requirements are met. The beneficiary must:

– submit a new Consultant Application and otherwise meet all the eligibility requirements to become a Consultant;
– comply with the terms and provisions of the Consultant Agreement; and
– meet all the qualifications for the deceased Consultant’s level and title.
To effect a testamentary transfer of a Consultantship upon the death or incapacitation of a Consultant, the successor must provide the following to R+F:

- a court order appointing the administrator or trustee of the estate or letters testamentary or other instrument appointing the administrator or trustee of the estate;
- written instructions from the administrator of the estate directing on the disposition of the business; and
- a completed and properly executed Consultant Application from the beneficiary or the trustee who will be operating the business on behalf of the beneficiary.

Commission and Performance Bonus payments of a Consultantship transferred pursuant to this Section will be paid in a single payment jointly to the new Consultant. A Consultantship is reliant on the leadership ability of the individual Consultant; therefore if the Consultantship is bequeathed to joint devisees, they must form a Business Entity, identifying the person responsible for the entity’s operation and submit a properly completed and signed Business Entity Registration Form and otherwise comply with all of the requirements for a Business Entity that is a Consultantship, as set forth in these Policies and Procedures. Rodan + Fields will issue all Commission and Performance Bonus payments and one IRS Form 1099 to the new Business Entity.

14f. Transfer of Consultantship to Spouse or Children:

A Consultant may transfer her or his Consultantship to her or his spouse, common law spouse or child so long as such spouse, common law spouse or child meets all the eligibility and other requirements of the Consultant Agreement. Such transfer shall not be subject to the requirements of Section 14a (regarding the sales or transfer of a Consultantship). The transferee(s) must fulfill the ongoing responsibilities of the transferring Consultant, complete a properly executed Consultant Application and follow these Policies and Procedures.

14g. All Other Transfers by Consultants Prohibited:

Except as expressly permitted by this Section 14 with R+F’s prior written approval, Consultants shall not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, by operation of law or otherwise, the Consultant Agreement, their Consultantships, or any rights or obligations under the Consultant Agreement. Any purported assignment, sale, transfer, delegation or other disposition, except as permitted herein, will be null and void.

SECTION 15: TERMINATION AND SUSPENSION

15a. Voluntary Termination:

A Consultant has the right to terminate her or his Consultantship and the Consultant Agreement at any time regardless of the reason. A completed Termination Notice Form must be submitted to the R+F Sales Support Department and will be effective upon receipt by R+F. A Consultant may also voluntarily terminate the Consultantship and Consultant Agreement by electing not to renew as described in Section 5l.

The return of a Business Portfolio within one (1) year after activation will be considered a voluntary termination by the Consultant as described in Section 5a.

A Consultant who terminates her or his Consultant Agreement on a voluntary basis shall have the right to seek reinstatement to the R+F Program pursuant to the provisions of Section 15d of these Policies and Procedures.

15b. Involuntary Termination:
In addition to the imposition of any remedial action described in Section 16, R+F reserves the right to terminate the Consultant Agreement and the Consultantship of any Consultant who, in the judgment of R+F, has violated the terms of the Consultant Agreement including, but not limited to, the provisions of the Consultant Application and these Policies and Procedures or for acts or omissions which R+F reasonably deems to be harmful to the interests of other Consultants or to R+F. Involuntary termination shall be effective upon R+F’s notice to Consultant.

A Consultant who has her or his Consultant Agreement terminated on an involuntary basis may seek reinstatement to the R+F Program by submitting a formal written request after the one (1) year anniversary of the termination date. R+F, however, reserves the right to reject any such request in its sole discretion. If R+F accepts the reinstatement request, the Consultant must complete a new Consultant Agreement and purchase a new Business Portfolio. A reinstated Consultant will have no access or rights to any Downline organization that may have existed under her or his prior Consultant Agreement.

15c. Effect of Termination:

Upon any expiration or termination of a Consultant Agreement, the former Consultant shall have no right, title, claim or interest to the Consultantship or Downline that she or he operated, or to the opportunity to receive any Commissions or Performance Bonuses from future sales generated by the Consultantship or Downline. A Consultant whose Consultant Agreement is terminated will lose all rights to participate in or benefit from the Program. This includes the right to sell the R+F Products, act as a Sponsor, use any R+F Trademarks or other R+F Content for any purpose, and the right to receive future Commissions and Performance Bonuses or other income resulting from sales and other activities of the Consultant’s former Downline. In the event of termination, all licenses granted to the Consultant hereunder, if any, shall automatically terminate, and the terminated Consultant agrees to waive all rights, if any, she or he may have, including but not limited to, property rights, if any, to her or his former Downline and any Commissions, Performance Bonuses or other amounts derived from the future sales and other activities of such Downline.

Former Consultants shall not hold themselves out as Consultants and shall not have the right to sell the R+F Products, sponsor other Consultants or otherwise participate in the Program. Consultants whose Consultantships are terminated shall receive Commissions and Performance Bonuses for the last full Commission Periods in which they were active and qualified prior to termination (less any amounts withheld during any suspension preceding an involuntary termination, any outstanding balance that may exist on the Consultants’ accounts, or any other amounts that may be owed to R+F). For information regarding inactive RF Payday Accounts and unclaimed commissions, performance bonuses and credits, refer to Section 12g. R+F will not be liable to any Consultant for damages of any kind solely as a result of terminating a Consultantship or Consultant Agreement in accordance with the terms set forth herein, and termination of the Consultant Agreement will be without prejudice to any other right or remedy of R+F under the Consultant Agreement or applicable law.

Upon any expiration or termination of the Consultant Agreement, the following sections of these Policies and Procedures shall survive and continue: Sections 2, 3b, 5j (with respect to Beneficial Owners’ obligations related to their respective Business Entities), 6g (with respect to the confidentiality of Performance Reports [Downline Activity]), 6j, 6m, 6n (in each case, with respect to any Confidential Information or Customer Data retained by Consultants after termination), 6p, 6q, 6r, 11a, 11d, 12c, 13, 14g, 15c, 16 and 17.

15d. Re-Enrollment:

A Consultant who has voluntarily terminated, either through resignation or non-renewal, may re-enroll as a Consultant by purchasing a Business Portfolio and the Consultant will be provided a new Identification Number. Re-enrollment timelines: (i) If a Consultant wishes to re-enroll within six (6) months of the deactivation date she or he must remain under her or his same sponsor; or (ii) If a Consultant wishes to re-enroll more than six (6) months after the deactivation
date, she or he may enroll under any R+F Consultant. Please contact Sales Support for instructions on how to re-enroll. Please note: the Consultant’s Downline organization will remain with the Upline Consultant, which is where it was placed when the Consultant voluntarily terminated.

15e. Cessation of Business:

R+F expressly reserves the right to terminate all Consultant Agreements upon thirty (30) days written notice in the event it elects to: (i) cease business operations; (ii) dissolve as a business entity; or (iii) terminate distribution of its Products via direct selling.

SECTION 16: REMEDIAL ACTIONS, GRIEVANCES, AND COMPLAINTS

16a. Remedial Actions:

Violation of the Consultant Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Consultant that, in the sole discretion of R+F, may damage its reputation or goodwill (such damaging act or omission need not be related to the Consultant’s R+F business), may result, at R+F’s sole discretion, in one or more of the following corrective measures:

- a coaching e-mail or telephone call;
- issuance of a written warning letter or admonition to the offending Consultant;
- the requirement that the offending Consultant take immediate corrective measures;
- the withholding of all or part of the offending Consultant’s Commissions or Performance Bonuses during the period that R+F is investigating any conduct allegedly in violation of the Consultant Agreement. If the Consultant’s business is ultimately terminated, the Consultant will not be entitled to recover any Commissions or Performance Bonuses withheld during the investigation period;
- suspension of the offender’s Consultant Agreement, including suspension of payment of Commissions or Performance Bonuses for one or more Commission Periods;
- involuntary termination of the offender’s Consultant Agreement;
- any other measure expressly allowed within any provisions of the Consultant Agreement or which R+F deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the offending Consultant’s policy violation or contractual breach; and
- in situations deemed appropriate by R+F, the Company may institute legal proceedings for monetary and/or equitable relief.

16b. Grievances and Complaints:

When a Consultant has a grievance or complaint with another Consultant regarding any practices or conduct in relationship to her or his Consultantship, the complaining Consultant should first report the problem to her or his Sponsor. If the matter cannot be resolved, it may be reported in writing to the Compliance Department. If a
Consultant has a complaint of harassment or other inappropriate conduct on the part of an employee or representative of R+F, the Consultant may file a report with the Compliance Department without first reporting the issue to her or his Sponsor. The Compliance Department will review the facts and may attempt to assist the Consultant to resolve the issue.

If the issue is such that a Consultant feels threatened with serious bodily harm or believes she or he is the victim of financial fraud or other criminal activity, then the Consultant should contact law enforcement authorities and file a police report.

SECTION 17: WARRANTIES; LIMITATION OF LIABILITY; INDEMNIFICATION

17a. Warranty; Disclaimer:
Rodan + Fields warrants to Consultants that the R+F Products as and when delivered by R+F shall be free from material defects. Rodan + Fields’ sole obligation to Consultants, and Consultants’ sole and exclusive remedy, for breach of this warranty shall be to return any defective R+F Product and receive a replacement or refund as described in Section 10. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, R+F HEREBY DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE R+F PRODUCTS, THE PROGRAM, R+F MARKETING MATERIALS, R+F BUSINESS SUPPLIES, AND ANY OTHER SUBJECT MATTER OF THE CONSULTANT AGREEMENT, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NONINFRINGEMENT, ACCURACY OR COMPLETENESS OF CONTENT, RESULTS, LACK OF NEGLIGENCE OR LACK OF WORKMANLIKE EFFORT, AND CORRESPONDENCE TO DESCRIPTION.

17b. Limitation of Liability:
NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY OR ANY FAILURE OF ESSENTIAL PURPOSE, IN NO EVENT SHALL A CONSULTANT, R+F OR ANY OF ITS RELATED PARTIES (AS DEFINED IN SECTION 18i) BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, HOWEVER CAUSED, ARISING OUT OF OR RELATED TO THE CONSULTANT AGREEMENT OR THE SUBJECT MATTER HEREOF (INCLUDING BUT NOT LIMITED TO THE R+F PRODUCTS, THE PROGRAM, R+F MARKETING MATERIALS OR R+F BUSINESS SUPPLIES), WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHER THEORY OF LIABILITY (INCLUDING BUT NOT LIMITED TO NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE CONSULTANT OR R+F OR ANY OF ITS RELATED PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

17c. Indemnification:
Each Consultant agrees to indemnify, defend and hold harmless R+F (together with its Related Parties as defined in Section 18i), its agents, other Consultants, stockholders, members, employees, directors, officers and attorneys (collectively “Indemnified Parties”) from and against any and all losses or liabilities (including attorney’s fees) they may suffer or incur as a result of such Consultant’s breach or alleged breach of the Consultant Agreement, including, without limitation, any terms or conditions of these Policies and Procedures. Without limitation of the foregoing, each Consultant shall specifically indemnify the Related Parties against any losses or liabilities they may suffer or incur as a
result of such Consultant being deemed an employee, agent or holding any status other than an independent contractor and such Consultant’s tax liabilities.

SECTION 18: MISCELLANEOUS; DISPUTE RESOLUTION

18a. Severability:
If any provision of the Consultant Agreement, or the application thereof to any person, place or circumstance, will be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, such provision will be enforced to the maximum extent possible so as to affect the intent of the parties, or, if incapable of such enforcement, only such limited portion of the provision that is held to be void or unenforceable shall be deleted from the Consultant Agreement, and the remainder of the Consultant Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect.

18b. Waivers:
The waiver by either party of a breach of or a default under any provision of the Consultant Agreement will not be effective unless in writing and will not be construed as a waiver of any subsequent breach of or default under the same or any other provision of the Consultant Agreement, nor will any delay or omission on the part of either party to exercise or avail itself of any right or remedy that it has or may have hereunder operate as a waiver of any right or remedy.

18c. Governing Law:
The Consultant Agreement is to be construed in accordance with and governed by the laws of the jurisdiction as determined by the arbitrator selected to preside over the matter pursuant to the arbitration rules as set forth in Section 18i.

This Agreement is intended to govern the terms and conditions that apply to all R+F Consultants, regardless of any individual’s residence or sales territory. To the extent that any provision of this Agreement is not enforceable under applicable law, including Section 16600 of the California Business and Professions Code, which prohibits contracts that restrain persons from engaging in a lawful profession, trade or business of any kind, the parties agree to renegotiate such provision in good faith. In the event the parties cannot reach mutually agreeable and enforceable replacement for such provision, then: a) such provision shall be stricken from this Agreement; b) the balance of this Agreement shall be interpreted as if such provision were excluded; and c) the balance of this Agreement shall be enforceable in accord with its terms.

18d. Right to Use Third Parties:
Notwithstanding anything to the contrary in the Consultant Agreement, R+F may use Consultants or other contractors in connection with the performance of its obligations and the exercise of its rights under the Consultant Agreement.

18e. Force Majeure:
Rodan + Fields will not be liable to any Consultant for failure or delay in performing its obligations hereunder if such failure or delay is due to circumstances beyond its reasonable control, including acts of any governmental body, war,
insurrection, sabotage, embargo, fire, flood, strike or other labor disturbance, interruption of or delay in transportation,
unavailability of or interruption or delay in telecommunications or third party services, or inability to obtain raw
materials, supplies, equipment or power needed to perform hereunder.

18f. Interpretation:

For purposes of interpreting the Consultant Agreement: (i) headings are for reference purposes only and will not be
deemed a part of the Consultant Agreement; (ii) unless the context otherwise requires, the singular includes the plural
and the plural includes the singular; (iii) unless otherwise specifically stated, the words “herein,” “hereof,” and
“hereunder,” and other words of similar import refer to the Consultant Agreement as a whole and not to any particular
section or paragraph; and (iv) the words “include” and “including” shall not be construed as terms of limitation and
shall therefore mean “including but not limited to” and “including without limitation.”

18g. Entire Agreement:

The Consultant Agreement, along with all documents incorporated by reference, in their current form and as amended
by the Company in its sole discretion, constitute the entire agreement of the parties hereto with respect to its subject
matter. The Consultant Agreement supersedes all previous, contemporaneous, inconsistent agreements, negotiations,
representations and promises between the parties, written or oral, regarding the subject matter hereunder. There are
no oral or written collateral representations, agreements or understandings except as provided herein.

18h. Notices:

Except as otherwise expressly set forth in the Consultant Agreement, all notices required or permitted by the
Consultant Agreement shall be in writing and sent to the party to be notified by registered or certified mail or delivered
in person, and shall be deemed effective upon receipt. Notices to a Consultant shall be sent to the address on the
applicable Consultant Application or updated Consultant Account Profile. Notices to R+F shall be sent to Rodan &
Fields, LLC, 60 Spear Street, Suite 600, San Francisco, CA 94105, Attention: Compliance Department.

18i. Dispute Resolution:

Any controversy, claim or dispute of whatever nature arising between Consultant, on the one hand, and R+F and/or the
Related Parties (as defined below), on the other, including but not limited to those arising out of or relating to the
Consultant Agreement including these Policies and Procedures or the breach thereof, the sale, purchase or use of the
R+F Products or Business Building Kits, or the commercial, economic or other relationship of Consultant and R+F
and/or the Related Parties (for purposes of this Section 18i, each a “party”), whether such claim is based on rights,
privileges or interests recognized by or based upon statute, contract, tort, common law or otherwise (“Dispute”), shall
be settled through negotiation, mediation or arbitration, as provided in this Section 18i.

If a Dispute arises, the parties shall first attempt in good faith to resolve it promptly by negotiation. Any of the parties
involved in the Dispute may initiate negotiation by providing notice (the “Dispute Notice”) to each involved party
setting forth the subject of the Dispute and the relief sought by the party providing the Dispute Notice, and designating
a representative who has full authority to negotiate and settle the Dispute. Within ten (10) Business Days after the
Dispute Notice is provided, each recipient shall respond to all other known recipients of the Dispute Notice with notice
of the recipient’s position on and recommended solution to the Dispute, designating a representative who has full
authority to negotiate and settle the Dispute. Within twenty (20) Business Days after the Dispute Notice is provided,
the representatives designated by the parties shall confer either in person at a mutually acceptable time and place or by telephone, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute.

At any time twenty (20) Business Days or more after the Dispute Notice is provided, but prior to the initiation of arbitration, regardless of whether negotiations are continuing, any party may submit the Dispute to JAMS for mediation by providing notice of such request to all other concerned parties and providing such notice and a copy of all relevant Dispute Notices and notices responding thereto to JAMS. In such case, the parties shall cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in promptly scheduling the mediation proceedings, and shall participate in good faith in the mediation either in person at a mutually acceptable time and place or by telephone, in accordance with the then-prevailing JAMS’s mediation procedures and this Section, which shall control.

Any Dispute not resolved in writing by negotiation or mediation shall be subject to and shall be settled exclusively by final, binding arbitration before a single arbitrator in San Francisco, California, in accordance with the then-prevailing Comprehensive Arbitration Rules of JAMS. No party may commence Arbitration with respect to any Dispute unless that party has pursued negotiation and, if requested, mediation, as provided herein, provided, however, that no party shall be obligated to continue to participate in negotiation or mediation if the parties have not resolved the Dispute in writing within sixty (60) Business Days after the Dispute Notice was provided to any party or such longer period as may be agreed by the parties. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. The arbitrator shall not have the power to alter, modify, amend, add to or subtract from any provision of the Consultant Agreement other than as set forth in Section 12 of the Consultant Application or Section 18a of these Policies and Procedures, or to rule upon or grant any extension, renewal or continuance of the Consultant Agreement. To the fullest extent allowed by law, the arbitrator shall not have the power to award special, incidental, indirect, punitive or exemplary, or consequential damages of any kind or nature, however caused.

THE NEGOTIATION, MEDIATION OR ARBITRATION OF ANY DISPUTE SHALL BE LIMITED TO INDIVIDUAL RELIEF ONLY AND SHALL NOT INCLUDE CLASS, COLLECTIVE OR REPRESENTATIVE RELIEF. IN ANY ARBITRATION OF A DISPUTE, THE ARBITRATOR SHALL ONLY HAVE THE POWER TO AWARD INDIVIDUAL RELIEF AND SHALL NOT HAVE THE POWER TO AWARD ANY CLASS, COLLECTIVE OR REPRESENTATIVE RELIEF. THE PARTIES UNDERSTAND AND AGREE THAT EACH IS WAIVING THE RIGHT TO TRIAL BY JURY OR TO PARTICIPATE IN A CLASS, COLLECTIVE OR OTHER REPRESENTATIVE ACTION.

All communications, whether oral, written or electronic, in any negotiation, mediation or arbitration pursuant to this Section shall be treated as confidential and those made in the course of negotiation or mediation, including any offer, promise or other statement, whether made by any of the parties, their agents, employees, experts or attorneys, or by the mediator or any JAMS employee, shall also be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and shall be inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in negotiation or mediation.

To the fullest extent allowed by law: 1) the costs of negotiation, mediation and arbitration, including fees and expenses of any mediator, arbitrator, JAMS, or other persons independent of all parties acting with the consent of the parties to facilitate settlement, shall be shared in equal measure by Consultant, on the one hand, and R+F and any Related Parties involved on the other; and 2) the parties shall bear their own legal fees and expenses of negotiation, mediation and arbitration.

Although the Consultant Agreement is made and entered into between Consultant and R+F, R+F’s affiliates, owners, members, managers and employees (“Related Parties”) are intended third party beneficiaries of the Consultant Agreement for purposes of the provisions of the Consultant Agreement referring specifically to them, including this agreement to negotiate, mediate and arbitrate. The parties acknowledge that nothing contained herein is intended to create any involvement by, responsibility of, or liability for, the Related Parties with respect to any dealings between
Consultant and R+F, and the parties further acknowledge that nothing contained herein shall be argued by either of them to constitute any waiver by the Related Parties of any defense which Related Parties may otherwise have concerning whether they can properly be made a party to any dispute between the other parties.

Any party may seek specific performance of this Section, and any party may seek to compel each other party to comply with this Section by petition to any court of competent jurisdiction. For purposes of any provisional or equitable relief sought under this Section, the parties consent to exclusive jurisdiction and venue in the courts of the State of California residing in the City of San Francisco, or the United States District Court for the Northern District of California, residing in San Francisco, California. The pendency of mediation or arbitration shall not preclude a party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the parties agree not to defend against any application for provisional relief on the ground that mediation or arbitration is pending. Each party in any proceeding under this policy shall be responsible for its own attorney’s fees, legal expenses and costs. If any portion of this Section is held to be unenforceable for any reason, the remainder shall remain in full force and effect.

Nothing in this Section shall preclude any party from seeking interim or provisional relief concerning the Dispute, including a temporary restraining order, a preliminary injunction, or an order of attachment, either prior to or during negotiation, mediation or arbitration.

In the event any portion of this provision regarding arbitration and waiver of class claims is found to be unenforceable, such portion shall be severable from the remainder of this provision, which shall remain in full force and effect. Any amendment to this provision, or to the Dispute Resolution provision in the Consultant Agreement, shall not apply to: (1) a dispute arising prior to the effective date of such amendment; or (2) a Consultant who declines to participate in the R+F Program following the Effective Date of any such amendment.
Appendix A: Compensation Plan

SECTION 1: INTRODUCTION

The Compensation Plan (this “Compensation Plan”) identifies the earning opportunities available to Consultants and sets forth the sales and organizational requirements necessary to earn Commissions and Performance Bonuses under this Compensation Plan. This Compensation Plan is designed to compensate Consultants for their sales of R+F Products, including (i) their own sales directly to Customers; and (ii) sales that are made to Customers by the sales organization that such Consultants develop. Earning potential under this Compensation Plan is based upon the effectiveness as sales representatives for R+F Products of (i) the Consultants; and (ii) the people that join the Consultants’ sales organizations. Earning potential under this Compensation Plan is not based upon financial investment in the Program. This Compensation Plan is incorporated into and made a part of the Policies and Procedures. Rodan + Fields may, at any time, revise the Policies and Procedures (including this Compensation Plan) by posting the amended Policies and Procedures (including this Compensation Plan) on the R+F Website, Pulse Personal Websites (PWS) and Pulse Business Development Library, and any changes or additions will be effective immediately upon posting. Consultants must check the R+F Website, Pulse Personal Websites (PWS) and the Pulse Business Development Library frequently for revised Policies and Procedures (including this Compensation Plan). Consultants’ continued participation in the Program following the posting of revised Policies and Procedures (including this Compensation Plan) constitutes acceptance of any changes or additions.

There are five ways in which Consultants may be able to earn compensation under this Compensation Plan:

- through Retail Profit on sales (at a marked-up selling price) of R+F Products that are sold to Customers by the Company on behalf of an R+F Consultant or sold directly to Retail Customers by Consultants
- through Consultant Commissions (also known as Level 1 Commissions)
- through Personal Team Commissions
- through Generation Commissions paid based on an Executive Consultant’s qualified EC Legs and EC Group Downline
- through Performance Bonuses that are offered by R+F from time to time, in R+F’s sole discretion

For more detailed information, please see Section 8 below.

As with any other sales opportunity, the compensation earned by Consultants varies significantly. People become Consultants for various reasons. Some people become Consultants to be able to purchase R+F Products at Wholesale Prices. Some people become Consultants to improve their skills or to experience the management of their own businesses. Others become Consultants, but for various reasons, never sell any R+F Products. Accordingly, many Consultants may never qualify to receive compensation under this Compensation Plan.

Generating meaningful compensation as a Consultant requires considerable time, effort and commitment. The Program is not a get-rich-quick plan, and there are no guarantees of financial success. Rodan + Fields does not guarantee that a Consultant participating in this Compensation Plan will generate any income or advance in this Compensation Plan. The success or failure of each Consultant, like any other independent business, depends on each Consultant’s own individual capacity, business experience, expertise, skills, personal effort and motivation. Rodan + Fields is a product-driven company that strongly encourages people to try R+F Products as a Customer before deciding to participate as a Consultant and build a business. See the Income Disclosure Statement posted in the Pulse Business Development Library, on each Consultant’s Pulse Personal Website (PWS) and on the R+F Website where the Compensation Plan is described at https://www.rodanandfields.com/Pages/Business/Compensation.
SECTION 2: DEFINITIONS

As used in this Compensation Plan, the following terms have the respective meanings set forth below:

Active Consultant
A Consultant or Executive Consultant is Active when:

(i) Minimum monthly Sales Volume (SV) requirements to earn Commissions are met;
(ii) Consultantship is in compliance with the requirements of the Consultant Agreement; and
(iii) Consultant Agreement is renewed in accordance with Policies and Procedures.

Commissions
Any payout to a Consultant or Executive Consultant, usually based on her or his Level 1 Volume and eligible Downline Commissionable Volume.

Commission Period
The timeframe for which Commissions are processed determines which orders will be included when calculating Commissions.

Commissionable Volume (CV)
With respect to a Consultant and during any Commission Period, CV is the commissionable value (generally, but not always, based on the Wholesale Price of R+F Products) assigned to each commissionable product for calculation of Commissions. These purchases may include those made by:

(i) Consultant’s Preferred Customers;
(ii) Consultant’s Downline Consultants; and
(iii) Downline Consultants’ Preferred Customers and Retail Customers.

Compression (Roll Up)
The changes to genealogy tree based on termination due to non-renewal voluntary, or involuntary Termination of a Consultantship.

Downline
With respect to any Consultant, the organization consisting of the Consultants directly or indirectly sponsored by or attributed to such Consultant.
**Executive Consultant (EC)**
The first promotion title an Active Consultant may achieve. Requires a monthly minimum of 100 in Personal Sales Volume (SV) and a minimum of 600 in Personally Sponsored Level 1 Volume (PSL1V).

**Executive Consultant (EC) Group**
Personal Team of an Executive Consultant that starts at L1 of said Executive Consultant and ends at the first EC in the Downline Leg including the SV of that first EC. Executive Consultant Groups make up the generational volume. A Personal Team is an Executive Consultant Group that is Generation 0.

**Executive Consultant (EC) Leg**
With respect to an Executive Consultant's Personal Team, each Downline Leg that contains a qualified Executive Consultant. The number of Executive Consultant Legs generating from an Executive Consultant’s Personal Team determines the Qualification Title of that Executive Consultant.

**Generation**
All Executive Consultant Groups that exist on a specific level in the EC Genealogy tree.

**Generation I (G I)**
With respect to an Executive Consultant, the EC Groups of each Executive Consultant within such Executive Consultant's Personal Team. For example, if Executive Consultant A’s Personal Team includes Executive Consultants B and C, Executive Consultant A’s Generation I consists of the EC Group of Executive Consultant B and the EC Group of Executive Consultant C.

**Generation II (G II)**
With respect to an Executive Consultant, the EC Groups of all Executive Consultants within such Executive Consultant’s Generation I.

**Generation III (G III)**
With respect to an Executive Consultant, the EC Groups of all Executive Consultants within such Executive Consultant’s Generation II.

**Generation IV (G IV)**
With respect to an Executive Consultant, the EC Groups of all Executive Consultants within such Executive Consultant’s Generation III.

**Generation V (G V)**
With respect to an Executive Consultant, the EC Groups of all Executive Consultants within such Executive Consultant’s Generation IV.
Generation VI RFX (G VI)

With respect to an Executive Consultant, the EC Groups of all Executive Consultants within such Executive Consultant’s Generation V.

Generation Commissions

Generation Commissions are paid on Downline Generations of Executive Consultant Groups. Generation Commissions begin with the first Executive Consultant Groups under a Personal Team and can continue up to six Generations based on the number of an Executive Consultant’s qualified EC Legs.

Grace Period

Each Executive Consultant or above is entitled to receive one Grace Period:

(i) during the twelve (12) month period that follows the Executive Consultant’s promotion to the Recognition Title of Executive Consultant or above; and

(ii) during any twelve (12) month period that follows the anniversary date of the Executive Consultant’s first promotion to the Recognition Title of Executive Consultant provided that the Consultant retains a Recognition Title of Executive Consultant or above.

An Executive Consultant or above may never have more than one Grace Period in any twelve (12) month period. Accordingly, a Grace Period that is not used by an Executive Consultant or above will not be carried over into the following twelve (12) month period in which she or he is entitled to receive one new Grace Period. An EC can use a Grace Period to:

(i) Satisfy the requirement of a minimum of 600 in PSL1V during a Commission Period. If an EC or above uses a Grace Period, she or he will continue to be paid at her or his Qualification Title only if she, or he continues to satisfy the requirement that she or he must achieve a minimum of 100 SV in each Commission Period and otherwise maintains the required number of Qualified EC Legs in her or his Personal Team for that Title;

(ii) Satisfy the requirement of a minimum of 100 in SV during a Commission Period. If an EC or above uses a Grace Period, she or he will be paid as a Non-Active Consultant but will retain her or his Recognition Title and will not lose her or his organization. If a Grace Period is used to satisfy the 100 SV, the EC will not count as a Qualified EC Leg for the Upline in that Commission Period; and

(iii) Grace Periods may not be used in consecutive Commission Periods.

An EC or above who has used up her or his Grace Period (having none remaining) and then fails to achieve a minimum of 100 SV and/or 600 in PSL1V during a subsequent Commission Period is demoted to the Recognition Title of Consultant. For additional information, refer to Appendix A: 7.

LI EC – RFX EC

These are the leadership Titles earned by Executive Consultants as they build their Downline organizations and achieve and satisfy the requirements for each new Title in accordance with the provisions of the Compensation Plan. Each new title requires the Consultant to maintain 100 in Personal Sales Volume (SV) and 600 PSL1V and is based on the number of new Executive Legs and/or Level V or higher Executive Legs in the Consultant’s Personal Team.
Leg
Each L1 Consultant and all of her or his Downline. Executive Consultant Legs are required for promotion and title qualification.

Level 1 Volume (L1V)
With respect to a Consultant, L1V consists of

(i) the PCV of such Consultant’s Preferred Customers’ purchases;
(ii) the SV of such Consultant’s Personally Sponsored Consultants; and
(iii) the PCV of Preferred Customers’ purchases and the SV of Consultants who compress (Roll Up) to such Consultant’s L1 position.

Level V EC Leg
An LV EC Leg is an EC Leg where the first EC in the Leg is in the Personal Team and has a Paid-As Title of LV or above.

Non-Active Consultant (C*)
A Consultant or Executive Consultant is Non-Active when she or he is in compliance with the terms of the Consultant Agreement but does not qualify to earn Commissions as a result of not achieving a minimum Sales Volume (SV) of 100 for the Commission Period.

Organization Volume (Org Vol)
Organization Volume is the sum of all CV and PCV in the Personal Team and in Generation I thru Generation V.

Paid-As Title
The highest title for which a Consultant or EC satisfies the qualification requirements for the Commission Period.

Performance Bonuses
In addition to earnings available through the Compensation Plan, Consultants have the opportunity to earn additional income from time to time through Performance Bonuses. Performance Bonuses may be earned by Consultants based on eligibility and performance metrics defined in the terms and conditions of each Performance Bonus program. Applicable Performance Bonus terms and conditions can be found in the Pulse Business Development Library.

Personal Team
With respect to any Consultant, the Personal Team consists of

(i) such Consultant’s Preferred Customers (PCs);
(ii) such Consultant’s directly or indirectly sponsored Consultants who have not promoted to EC status;
(iii) those directly or indirectly sponsored Consultants’ PCs; and
(iv) the SV of the first Qualified EC in each respective Downline Leg.

**Personally Sponsored**

All Consultants and Preferred Customers on a Consultant’s Level 1 who were enrolled by that Consultant are considered Personally Sponsored by that Consultant (excluding retail Customers). If the Consultantship of the Sponsor is terminated, the Level 1 Consultants and Preferred Customers compress (Roll Up) to the Level 1 of the next Consultant in the Upline, but those Consultants and Preferred Customers will no longer be consider Personally Sponsored by the new Upline Consultant.

**Personally Sponsored Level 1 Volume (PSL1V)**

With respect to a Consultant, the Commissionable Volume of all purchases of R+F Products made by:

(i) Personally Sponsored Preferred Customers (PCV)

(ii) Personally Sponsored Consultants and their Retail Customers (CV)

**Preferred Customer Volume (PCV)**

With respect to a Consultant, PCV consists of the total Commissionable Volume (CV) of the purchases made by such Consultant’s PCs or Downline Consultants’ PCs in any Commission Period.

**Qualification Title**

The highest title, calculated in real time, for which a Consultant or EC satisfies the requirements during the current Commission Period.

**Recognition Title**

The highest title that a Consultant has achieved for the prior three (3) Commission Periods under the Compensation Plan, provided that an Executive Consultant or above has not demoted to Consultant.

**Retail Profit**

The profit earned by a Consultant completing a sale to a Retail Customer or L1 Preferred Customer. It is typically the difference between the Wholesale Price and the selling price.

**Roll Around**

When a Downline Consultant promotes to EC, the Upline Consultant (direct or indirect Sponsor) has four Commission Periods to promote to Executive Consultant. If the Upline Consultant fails to promote to an EC in the four Commission Periods, the Downline EC Leg rolls around the Upline Consultant to the next Upline EC and is recognized as an EC Leg for that Upline EC. The Downline EC will ALWAYS count towards the qualifying PSL1V and L1 Commissions of the original Sponsor (so long as the Sponsor maintains Consultant status in the R+F Program). However, the EC may never be counted as an EC Leg for the Consultant around whom she, or he rolled. For more information, refer to Appendix A, Section 6.
When an EC or above fails to meet Executive Qualification of 100 SV and/or 600 PSL1V with no eligible Grace Period, the EC will be demoted to Recognition Title of Consultant effective upon the close of that Commission Period. The Downline EC Leg rolls around the Upline Consultant to the next Upline EC and is recognized as an EC Leg for that Upline EC. The Downline EC will ALWAYS count towards the qualifying PSL1V and L1 Commissions of the original Sponsor (so long as the Sponsor maintains Consultant status in the R+F Program). However, the EC may never be counted as an EC Leg for the Consultant around whom she or he rolled for future title promotion or Executive bonuses. For more information refer to Appendix A. Section 7.

**Sales Volume (SV)**

With respect to a Consultant, SV consists of:

(i) the CV value of such Consultant’s personal purchases (either for personal consumption or for resale to Customers); and

(ii) the CV value of purchases made directly from Rodan + Fields by such Consultant’s Retail Customers. Consultant may not receive Commission on SV.

**Title**

Position in Program based on SV, PSL1V and Executive Leg qualification requirements. The starting Recognition Title for the Compensation Plan is Consultant and the highest Recognition Title that may be achieved is RF² Executive Consultant.

**Upline**

With respect to a Consultant, the Consultants who directly or indirectly sponsored said Consultant.

### SECTION 3: RECOGNITION TITLES AND QUALIFICATIONS

A “Recognition Title” is the highest title that a Consultant has achieved for the prior three (3) Commission Periods under the Compensation Plan, provided that an Executive Consultant or above has not demoted to Consultant. The Recognition Titles and the necessary qualifications to achieve such Recognition Titles are described below.

#### a. Active Consultant

Upon becoming a Consultant as described in the Policies and Procedures, such Consultant is initially assigned the title of Consultant for the first calendar month of her or his participation in the Program and is entitled to buy products at Consultant Pricing and earn Retail Profits from sales to Customers when she or he has satisfied the requirements for becoming a Consultant in accordance with the Policies and Procedures. Thereafter, in order for such Consultant to participate in the Program, she or he must satisfy the requirements of the Consultant Agreement and Policies and Procedures. A Consultant becomes an “Active Consultant” and therefore has an opportunity to earn Consultant Commissions by achieving a minimum of 100 in SV during a Commission Period. In order for a Consultant to maintain her or his status as an Active Consultant, she or he must achieve a minimum of 100 in SV on a monthly basis. An Active Consultant is not entitled to any Grace Period to satisfy the requirement that she or he must achieve a minimum of 100 in SV during a Commission Period in order to maintain her or his status as an Active Consultant.
A Consultant (including any Consultant who is an Active Consultant) maintains the title of Consultant for subsequent months until the earlier of the occurrence of one of the following events:

- the promotion of such Consultant to the Recognition Title of Executive Consultant in accordance with this Compensation Plan; or
- the Termination of such Consultant’s Consultantship in accordance with the Policies and Procedures.

b. Executive Consultant

Executive Consultant is the next higher Recognition Title to which an Active Consultant may be promoted if she or he satisfies the following qualification requirements (the “Executive Consultant Qualification Requirements”) during any given Commission Period: (i) achieving a minimum of 100 in SV; and (ii) achieving a minimum 600 in PSL1V. The promotion to the Recognition Title of Executive Consultant becomes effective for the month in which the title qualification was achieved at the close of that Commission Period, which is on or around the 15th of the following month.

An Executive Consultant maintains the Recognition Title of Executive Consultant until the occurrence of one of the following events:

- the promotion of such Executive Consultant to the Recognition Title of Level I Executive in accordance with this Compensation Plan;
- the demotion of an Executive Consultant to the Recognition Title of Consultant as discussed below; or
- the Termination of such Consultant’s Consultantship in accordance with the Policies and Procedures.

For any given Commission Period, an Executive Consultant who satisfies the Executive Consultant Qualification Requirements is paid as an Executive Consultant for that Commission Period.

c. Level I Executive Consultant (LI EC)

Level I Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which an Executive Consultant may be promoted if she or he:

- satisfies the Executive Consultant Qualification Requirements during any given Commission Period; and
- has one Executive Consultant Leg in her or his Personal Team (the “Level I Executive Qualification Requirement”).

The promotion to the Recognition Title of Level I Executive Consultant becomes effective at the close of the Commission Period for the month in which the promotion was achieved.

For any given Commission Period, a Level I Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the Level I Executive Consultant Qualification Requirement is paid as a Level I Executive Consultant for that Commission Period.

d. Level II Executive Consultant (LII EC)

Level II Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which a Level I Executive Consultant may become promoted if she or he:

- satisfies the Executive Consultant Qualification Requirements during any given Commission Period; and
- has two Executive Consultant Legs in her or his Personal Team (the “Level II Executive Qualification Requirement”).
The promotion to the Recognition Title of Level II Executive Consultant becomes effective at the close of the Commission Period for the month in which the promotion was achieved.

For any given Commission Period, a Level II Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the Level II Executive Consultant Qualification Requirement is paid as a Level II Executive Consultant for that Commission Period.

e. Level III Executive Consultant (LIII EC)

Level III Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which a Level II Executive Consultant may become promoted if she or he:

- satisfies the Executive Consultant Qualification Requirements during any given Commission Period; and
- has four Executive Consultant Legs in her or his Personal Team (the “Level III Executive Qualification Requirement”).

The promotion to the Recognition Title of Level III Executive Consultant becomes effective at the close of the Commission Period for the month in which the promotion was achieved.

For any given Commission Period, a Level III Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the Level III Executive Consultant Qualification Requirement is paid as a Level III Executive Consultant for that Commission Period.

f. Level IV Executive Consultant (LIV EC)

Level IV Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which a Level III Executive Consultant may become promoted if she or he:

- satisfies the Executive Consultant Qualification Requirements during any given Commission Period; and
- has six Executive Consultant Legs in her or his Personal Team (the “Level IV Executive Qualification Requirement”).

The promotion to the Recognition Title of Level IV Executive Consultant becomes effective at the close of the Commission Period for the month in which the promotion was achieved.

For any given Commission Period, a Level IV Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the Level IV Executive Consultant Qualification Requirement is paid as a Level IV Executive Consultant for that Commission Period.

g. Level V Executive Consultant (LV EC)

Level V Executive Consultant, which is a leadership Title, is the next higher Recognition Title to which a Level IV Executive Consultant may become promoted if she or he:

- satisfies the Executive Consultant Qualification Requirements during any given Commission Period; and
- has eight or more Executive Consultant Legs in her or his Personal Team (the “Level V Executive Qualification Requirement”).

The promotion to the Recognition Title of Level V Executive Consultant becomes effective at the close of the Commission Period for the month in which the promotion was achieved.
For any given Commission Period, a Level V Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the Level V Executive Consultant Qualification Requirement is paid as a Level V Executive Consultant for that Commission Period.

h. RF\textsuperscript{x} Executive Consultant (RF\textsuperscript{x} EC)

RF\textsuperscript{x} Executive Consultant, which is a leadership Title, is the highest Recognition Title to which a Level V Executive Consultant may have access if she or he:

- satisfies the Executive Consultant Qualification Requirements during any given Commission Period; and
- has fifteen or more Executive Consultant Legs in her or his Personal Team and five or more Level V, or higher, EC Legs.

The eligibility status for an RF\textsuperscript{x} Executive Consultant becomes effective at the close of the Commission Period for the month in which the eligibility was achieved.

For any given Commission Period, an RF\textsuperscript{x} Executive Consultant who satisfies the Executive Consultant Qualification Requirements and the RF\textsuperscript{x} Executive Consultant Qualification Requirement is paid as an RF\textsuperscript{x} Executive Consultant for that Commission Period.

i. Use of Grace Period

An EC or Level I through RF\textsuperscript{x} Executive Consultant is entitled to one Grace Period during any twelve-month period following promotion to the Recognition Title of Executive Consultant. An EC or LI EC through RF\textsuperscript{x} EC who has used her or his Grace Period and then fails to achieve a minimum of 100 SV and/or 600 in PSL1V during a subsequent Commission Period is demoted to the Recognition Title of Consultant.

SECTION 4: PAID-AS TITLES

The highest title for which a Consultant or EC satisfies the qualification requirements for the Commission Period. See Grace Period rules for exceptions.

SECTION 5: TITLE PROMOTION AND MAINTENANCE

Promotions to a higher Recognition Title become effective on the close of the Commission Period for the month in which they were achieved.

SECTION 6: EXECUTIVE LEG RETENTION REQUIREMENTS

If a Consultant (who is not qualified as an Executive Consultant) has a Consultant in her or his Downline (a “Downline Consultant”) promoted to Executive Consultant or above, such Consultant has four Commission Periods, commencing on the first day after the Commission Period in which that Downline Consultant was promoted, to qualify as an Executive Consultant. If the Consultant fails to qualify as an Executive Consultant during these four Commission Periods, she or he will be precluded from receiving Commissions on that Downline Executive Leg (except for qualifying
SECTION 7: TITLE DEMOTION

Downward adjustment of Recognition Title that occurs when an Executive Consultant fails to achieve her or his current Recognition Title for three (3) consecutive Commission Periods provided that the Executive Consultant has not failed to meet Executive Qualifications of 100 SV and/or 600 PSL1V with no eligible Grace Period.* Effective upon the close of that Commission Period following a Demotion, the Executive Consultant will be reassigned the Recognition Title of the highest Paid-As Title achieved for the prior three (3) Commission Periods.

*Upon failure to meet Executive Qualification of 100 SV and/or 600 PSL1V with no eligible Grace Period, the EC will be demoted to Recognition Title of Consultant effective upon the close of that Commission Period. The demoted Consultant will be precluded from receiving Commissions on any Downline Executive Legs (except for qualifying PSL1V and Level 1 Commissions) and will be barred from counting those Downline Executive Consultants for Title promotion or for purposes of satisfying a Recognition Title qualification requirement. Upon the close of that Commission Period following the demotion of that Executive Consultant to Consultant, the Downline Executive Legs will be permanently excluded from the Consultant’s Downline (except for qualifying PSL1V and Level 1 Commissions) and the Downline Executive Leg will Roll Around to the first Upline Consultant who is an Executive Consultant or above.

SECTION 8: COMPENSATION PLAN CATEGORIES

There are five ways in which a Consultant may be able to earn compensation under this Compensation Plan: (i) Retail Profit; (ii) Consultant Commissions (also known as Level 1 Commissions); (iii) Personal Team Commissions; (iv) Generation Commissions; and (v) Performance Bonuses.

a. Retail Profit

A Consultant or higher Recognition Title can purchase R+F Products under the Program at Wholesale Prices for resale to her or his Customers or for her or his personal use. Accordingly, a Consultant or above can earn a Retail Profit representing any positive difference between the Wholesale Price and the marked-up selling price paid by the Consultant’s Retail Customers or Preferred Customers.

b. Consultant Commissions (also known as Level 1 Commissions)

An Active Consultant or above is eligible to a Commission (a “Consultant Commission”) equal to 10% of her or his Level 1 Volume (L1V).

c. Personal Team Commissions
A qualified Executive Consultant or above is eligible to earn a Commission (a “Personal Team Commission”) equal to 5% of her or his Personal Team Commissionable Volume.

d. Generation Commissions

A qualified Level I Executive Consultant or above is eligible to earn a Commission (a “Generation Commission”) equal to 5% of the EC Group Volume of up to (but no more than) five generations below her or his Personal Team as follows:

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Consultant</th>
<th>Active Consultant</th>
<th>Executive Consultant</th>
<th>Level I Executive</th>
<th>Level II Executive</th>
<th>Level III Executive</th>
<th>Level IV Executive</th>
<th>Level V Executive</th>
<th>RF Executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase $45 Business Portfolio</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Total Sales Volume (SV)</td>
<td>100 SV</td>
<td>100 SV</td>
<td>100 SV</td>
<td>100 SV</td>
<td>100 SV</td>
<td>100 SV</td>
<td>100 SV</td>
<td>100 SV</td>
<td></td>
</tr>
<tr>
<td>Personally Sponsored Level I Volume</td>
<td>600 PSL1V</td>
<td>600 PSL1V</td>
<td>600 PSL1V</td>
<td>600 PSL1V</td>
<td>600 PSL1V</td>
<td>600 PSL1V</td>
<td>600 PSL1V</td>
<td>600 PSL1V</td>
<td></td>
</tr>
<tr>
<td>(PSL1V)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Qualified EC Legs</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>8 or more</td>
<td>15 or more</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Qualified LV or higher EC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earning Potential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Profit</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Level 1 (L1) Consultant Commission</td>
<td>10%</td>
<td>10% +5%</td>
<td>10% +5%</td>
<td>10% +5%</td>
<td>10% +5%</td>
<td>10% +5%</td>
<td>10% +5%</td>
<td>10% +5%</td>
<td>10% +5%</td>
</tr>
<tr>
<td>Personal Team Commission (below L1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Generation I Commission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation II Commission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation III Commission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation IV Commission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation V Commission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5%</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation VI Commission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All commission calculations are based on wholesale price (or percentage of wholesale price).

*Under this Compensation Plan, no Generation Commission is payable based on the EC Group Volume of generations below an Executive Consultant’s Generation V.

As indicated in the table above:
- A qualified Level I Executive Consultant is eligible to earn a Generation Commission equal to 5% of the EC Group Volume of her or his Generation I.
- A qualified Level II Executive Consultant is eligible to earn a Generation Commission equal to 5% of the EC Group Volume of her or his Generation I and Generation II.
- A qualified Level III Executive Consultant is eligible to earn a Generation Commission equal to 5% of the EC Group Volume of her or his Generation I, Generation II and Generation III.
- A qualified Level IV Executive Consultant is eligible to earn a Generation Commission equal to 5% of the EC Group Volume of her or his Generation I, Generation II, Generation III and Generation IV.
- A qualified Level V Executive Consultant is eligible to earn a Generation Commission equal to 5% of the EC Group Volume of her or his Generation I, Generation II, Generation III, Generation IV and Generation V.
- A qualified RFx Executive Consultant is eligible to earn a Generation Commission equal to 5% of the EC Group Volume of her or his Generation I, Generation II, Generation III, Generation IV and Generation V and 2.5% of the EC Group Volume of her or his Generation VI.

**e. Performance Bonuses**

To the extent a Consultant performs under this Compensation Plan, she or he may be eligible to receive Performance Bonuses (a “Performance Bonus”) that are offered by R+F from time to time, at R+F’s sole option.

**f. Road to RFx Car Incentive Program**

To the extent a Consultant performs under this Compensation Plan, she or he may be eligible to participate in the Road to RFx Car Incentive Program offered by R+F. Terms and Conditions are available in the Pulse Business Development Library.

**SECTION 9: INCENTIVE TRIPS AND PERFORMANCE BONUSES**

To the extent a Consultant performs under this Compensation Plan, she or he may be eligible to receive incentive trips and other Performance Bonuses (i.e., “Incentive Trips and Performance Bonuses”) that are offered by R+F from time to time, at R+F’s sole option. Incentive Trips or Performance Bonuses may not be deferred for future acceptance. No payment or credit will be given to those who cannot or choose not to attend Incentive Trips or to accept Performance Bonus awards. Although R+F pays some or all of the costs of such Incentive Trips, the Consultant agrees to indemnify and hold harmless R+F and its affiliates for any injuries sustained in connection with the trip by the Consultant and/or her or his guests. The Consultant cannot make claim upon, or rely upon, any insurance policy of R+F to cover the costs and expenses of any injuries to the Consultant and/or her or his guests.

Rodan + Fields may be required by law to include the fair market value of any Incentive Trips and Performance Bonus awards on the Internal Revenue Service (IRS) Form 1099 MISC (non-employee compensation) earning statement that is provided by R+F to each U.S. resident Consultant who had earnings of more than $600 in the previous calendar year or made purchases from R+F during the previous year in excess of $5,000.

**SECTION 10: PRICE BASIS FOR RETAIL PROFIT AND COMMISSION CALCULATION**
During any given Commission Period, all Retail Profit and Commission calculations are based on the price schedules for R+F Products then in effect during such Commission Period. The price basis for determining Retail Profit and Commission calculations are described below:

a. Wholesale Price

The Wholesale Price is the wholesale price at which R+F Products may be purchased by a Consultant under the Program. The Wholesale Price is generally used as a basis for determining the Sales Volume, Commissionable Volume, Level 1 Volume and Personal Team Volume, as and if applicable, of a Consultant. For some products and promotional items, Commissionable Volume may not be equivalent to Wholesale Price.

b. Retail Price

The Retail Price is the suggested retail price published by R+F in R+F Marketing Materials and on the R+F Website. The difference between the Retail Price and the Wholesale Price is used to determine Retail Profit from sales of R+F Products to Retail Customers.

c. Preferred Customer Price

The Preferred Customer Price is the discounted Retail Price available to Retail Customers who become Preferred Customers by enrolling in PC Perks. The difference between the Preferred Customer price and the Wholesale Price is used to determine Retail Profit from sales of R+F Products to Preferred Customers.

SECTION 11: COMMISSION ADJUSTMENTS FOR RETURNED PRODUCT

When a product is returned for credit or refund, the Commission Period of the original purchase is used to determine the qualifications on that sale and to determine the amount of qualification and Commission adjustment for the returned product. The adjustment to Commissions will be made for the Commission Period in which the product was returned for the Consultant who received qualifications, L1 Commission and all Upline Consultants who received Commission on that sale. Retail Profit paid to Consultant by R+F will also be deducted in the Commission Period during which the product was returned.
Appendix B: Glossary

Applicant
A potential Consultant who has submitted a Consultant Application that is under consideration by R+F and has not yet been accepted or rejected by R+F.

Beneficial Owner
Any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has: (a) voting power which includes the power to vote, or to direct the voting of, the Business Entity's ownership interest and/or (b) investment power which includes the power to dispose, or to direct the disposition of, such ownership interest.

Business Building Kit
A kit that includes a Business Portfolio and an additional assortment of the R+F Products and/or R+F Marketing Materials (which R+F may change at its sole discretion) as described in the Consultant Application. Each Applicant is required to purchase a Business Portfolio (either by itself or as part of the purchase of a Business Building Kit, which includes a Business Portfolio) at the time she or he submits a Consultant Application to R+F (except for residents of North Dakota, where the purchase of a Business Portfolio is optional).

Business Days
Monday through Friday, excluding holidays observed by R+F.

Business Entity
A corporation, limited liability company, partnership or trust that has submitted a properly completed Business Entity Registration Form that has been approved by R+F.

Business Entity Registration Form
The legally binding agreement that must be properly completed, signed and submitted by a Business Entity and the Consultant seeking to assign her or his Consultantship to the Business Entity, subject to approval by R+F in its sole discretion. The Consultant must be a Beneficial Owner of the Business Entity.

Business Portfolio
A portfolio that includes certain R+F Marketing Materials (which R+F may change at its sole discretion). Each Applicant is required to purchase a Business Portfolio (either by itself or as part of the purchase of a Business Building Kit, which includes a Business Portfolio) at the time she or he submits a Consultant Application to R+F (except for residents of North Dakota, where the purchase of a Business Portfolio is optional).
Compensation Plan

The Compensation Plan attached as Appendix A to the Policies and Procedures and which is incorporated into and part of these Policies and Procedures.

Confidential Information

The confidential and/or proprietary information of R+F, which includes, but is not limited to, the Performance Reports (Downline Activity) and all information contained in such reports, all Customer Data, and R+F’s product development plans, pricing, problem reports and performance information, marketing and financial plans and data, Customer e-mails, Consultant e-mails, contact information and training materials.

Consultant

The starting Recognition Title in the Compensation Plan. Consultants may be individuals, married couples or Business Entities that have:

(i) submitted a Consultant Application that has been accepted by R+F;
(ii) complies with the requirements of the Consultant Agreement, including the obligations set forth in the Policies and Procedures; and
(iii) renews Consultant Agreement annually in accordance with Policies and Procedures.

Unless otherwise specified, the term “Consultant” refers to any Consultant, whether or not such Consultant has been promoted to a higher Recognition Title.

Consultant Agreement

The legally binding agreement between R+F and each Consultant consisting of:

(i) a properly completed and submitted Consultant Application that has been accepted by R+F;
(ii) the Policies and Procedures that are incorporated into and form an integral part of the Consultant Agreement; and
(iii) if applicable, a properly completed and signed Business Entity Registration Form that has been accepted by R+F.

Consultant Application

The official application that must be properly completed and submitted to R+F by an Applicant to apply to become a Consultant, together with the terms and conditions set forth therein. Each Consultant Application is subject to acceptance or rejection by R+F in its sole discretion.

Consultant Information

Each Consultant’s name, address, phone number, e-mail address, Social Security Number or Federal Tax Identification Number, date of birth and other information required to be provided in or with a Consultant Application.
Consultantship
A Consultant’s independent business for marketing and selling the R+F Products, as authorized by the Consultant Agreement.

Customer
A person who purchases the R+F Products for the purpose of personally using them rather than for resale to another person.

Customer Data
All data and information submitted by a Customer or potential Customer to a Consultant in connection with a purchase of the R+F Products or otherwise including, without limitation, such Customer’s name, address, phone number, financial account information, products ordered and order volume.

Customer Satisfaction Guarantee
The guarantee that R+F offers to Customers for all R+F Products. Under the Customer Satisfaction Guarantee, if for any reason a Customer is not completely satisfied with any R+F Product, R+F allows the Customer to return the unused portion within sixty (60) days of purchase for a full refund of the purchase price (less shipping and handling charges). Consultants have certain responsibilities with respect to the Customer Satisfaction Guarantee.

Identification Number
A unique number assigned by R+F to each Consultant that is used to identify the Consultant in R+F’s records and computer system. A Consultant’s Identification Number (ID) must be used by that Consultant to identify her/himself to R+F in all correspondence with R+F and may also be required for certain transactions. A Consultant may provide her or his ID to Customers, Preferred Customers and business prospects to assist R+F in connecting the Consumer, Preferred Customers and business prospects to the Consultant’s account.

Income Disclaimer
Rodan + Fields does not guarantee that Consultants participating in the Rodan + Fields Program will generate any income. As with any business, each Consultant’s business results may vary. Earnings depend on a number of factors, including the area in which you live, individual effort, business experience, diligence and leadership. Potential Consultants are urged to perform their own due diligence prior to making any decision to participate.

Line Switching
Line Switching is re-enrolling under a different Sponsor in less than a six (6) month period after terminating an account or while still enrolled under a previous Sponsor. Line Switching is strictly prohibited. If a Consultant wishes to change Sponsors, the Consultant must terminate her or his Consultantship and wait six (6) months. After six (6) months, the Consultant may re-enroll under a new Sponsor.
Password

A unique string of numbers and/or letter characters that provides Consultants access to her or his respective Pulse Personal Website (PWS), R+F Website and the Pulse Business Management Suite. The Password is required to obtain online performance history records, Performance Reports (Downline Activity) and other information critical to the management of a Consultantship. Passwords are highly confidential and must not be shared with anyone.

Payment Processor

A third party retained by R+F to pay Commissions and Performance Bonuses earned by Consultants through the R+F Compensation Plan. The Payment Processor will set up an account (an “RF Payday Account”) for Consultants and deposit monies owed to Consultants into their RF Payday Accounts.

Performance Report (Downline Activity)

A report generated by R+F that provides critical data relating to the identities of a Consultant’s sales and team performance, and enrollment (sponsoring) activity of each Consultant’s sales team. All Performance Reports and the data contained therein are the Confidential Information of R+F.

Policies and Procedures

The policies, procedures, rules, guidelines and other terms and conditions set forth in the document of which this Compensation Plan and Glossary incorporated therein by reference and attached as Appendices A and B thereto are a part (as may be amended from time to time at the sole discretion of R+F), which, together with the terms and conditions set forth in a Consultant Application accepted by R+F, constitute the legally binding agreement between R+F and each Consultant.

Preferred Customer (PC)

A Customer who purchases the R+F Products from the Company through a Consultant and enrolls in PC Perks, a bi-monthly auto-replenishment and Customer loyalty program (see PC Perks Terms and Conditions located in the Pulse Business Development Library for more details). A Preferred Customer’s volume is separated from a PC Sponsor’s SV and treated as Level 1 Volume. It is included in the calculation of PSL1V when personally sponsored, paid Level1 Commissions to the PC’s personal sponsor and included in an Executive Consultant’s Personal Team. Additionally, a Consultant will receive Retail Profit on orders placed by their L1 Preferred Customers.

Product Disclaimer

Results from the use of Rodan + Fields Products may vary depending upon the individual, and Rodan + Fields makes no guarantee as to the results that you may you experience. Rodan + Fields recommends that you consult with your physician or other qualified health care provider before beginning any product regimen or treatment.

Program

Rodan + Fields’ direct sales program for the R+F Products as described in the Consultant Agreement.
Pulse

Pulse is an online enterprise management system designed to support a Consultant. Every Consultant has access to basic Pulse functions which include basic reporting and access to the Pulse Business Development Library that holds R+F-produced training materials, flyers, product information, event information and communications. There is an optional paid subscription to Pulse that also includes two (2) personal websites and enhanced business tools.

Pulse Personal Website (PWS)

Personalized websites provided by R+F to a Consultant participating in the optional subscription Pulse Business Management Suite. Pulse Personal Websites (PWS) are linked to the Consultant’s Identification Number and may be used for placing Customer orders and enrolling new Consultants. An additional monthly charge may apply for Pulse Personal Websites (PWS).

RF Mall

Consultants may order additional R+F Marketing Materials and R+F Business Supplies on the RF Mall. Because the RF Mall is a third party supplier, the purchase of additional R+F Marketing Materials and R+F Business Supplies on the RF Mall is subject to the return policy of the RF Mall and does not qualify as Commissionable Volume for the Compensation Plan. Consultants can reach the RF Mall at www.rfmall.biz or through the Pulse Business Development Library.

RF Payday Account

An RF Payday Account is a pay account (sometimes referred to as a “wallet”) that is set up for Consultants by an independent Payment Processor retained by R+F. With the exception of certain Performance Bonus payments made on an exception basis, all Commissions or Performance Bonuses that Consultants may earn will be paid through her or his RF Payday Account.

R+F Business Supplies

The business supplies, such as business cards, stationery, etc., that Consultants may purchase from R+F or its approved third party suppliers.

R+F Content

The R+F Content includes: (i) all R+F Trademarks; (ii) all text, images, graphics and other content and materials used or displayed on or in connection with any R+F Product (or any related packaging), R+F Marketing Materials, R+F Business Supplies or the R+F Website; and (iii) the names, images and likenesses of the principals of R+F, including Dr. Katie Rodan and Dr. Kathy Fields.

R+F Marketing Materials

The advertising, marketing, and informational materials that R+F provides for the R+F Products and the Program from time to time. Certain R+F Marketing Materials are included in the Business Portfolio.
R+F Products
Rodan + Fields skincare products and regimens that Consultants are authorized to sell under the Agreement.

R+F Trademarks
All trademarks, service marks, trade names, product names, logos, and domain names used or displayed on or in connection with any R+F Product (or any related packaging), R+F Marketing Materials, R+F Business Supplies or on the R+F Website. R+F trademarks include: Rodan + Fields®, Rodan & Fields®, R+F™, RF® (stylized), Unblemish™, Prescription for Change®, Multi-Med Therapy™, Multi-Med®, Rodan + Fields Dermatologists™, Rodan + Fields regimen bag design®, Rodan + Fields Essentials®, Rodan + Fields Enhancements®, AMP MD™, MACRO Exfoliator™, MACRO E™, Rodan + Fields REDEFINE™, Rodan + Fields REVERSE™, Rodan + Fields SOOTHE™, Rodan + Fields UNBLEMISH™, DOC-SMART and the names and likenesses of Dr. Katie Rodan and Dr. Kathy Fields.

R+F Website
The Internet site located at the URL address http://www.rodanandfields.com.

Receipt of Order
A Consultant, Preferred Customer or Consumer accepting delivery of R+F Products shipped from R+F.

Retail Customer
A Customer who purchases the R+F Products from or through a Consultant at Suggested Retail Price. Retail Customer volume is attributed to the selling Consultant’s SV and Retail Profit, but no Commissionable Volume is assigned to that Consultant. Sales Volume associated with retail sales counts toward Commission qualification for Active Consultants.

Return Authorization Form
The R+F return form located on the back of an R+F invoice. If a Customer or Consultant wishes to return a Product, this form must be filled out and included with the returned products.

Security Breach
A breach of security or an unauthorized disclosure, access, acquisition or use of Customer Data or any Confidential Information of R+F, including such access or acquisition as a result of theft, hacking or inadvertent error.

Sponsor
A Consultant who enrolls another Consultant into the Program and is listed as the sponsor on the Consultant Application.

Termination
The non-renewal termination, or other voluntary or involuntary termination of a Consultantship following which the former Consultant shall have no right, title, claim or interest to the Consultantship or Downline that she or he operated or to the opportunity to receive any Commissions or Performance Bonuses from the sales generated by such Consultantship or Downline.

**Wholesale Price**

As distinguished from the retail price of the R+F Products, the Wholesale Price is the price at which the R+F Products may be purchased by Consultants under the Program.
Appendix C: DSA Code of Ethics

The DSA Code of Ethics below is As Amended by Board of Directors through December 7, 2011. For the most up to date version, please visit the DSA website at http://www.dsa.org/ethics/.

(explanatory provisions appear in italics)

Preamble

- Code of Conduct
  1. Deceptive or Unlawful Consumer or Recruiting Practices
  2. Products, Services and Promotional Materials
  3. Terms of Sale
  4. Warranties and Guarantees
  5. Identification and Privacy
  6. Pyramid Schemes
  7. Inventory Purchases
  8. Earnings Representations
  9. Inventory Loading
  10. Payment of Fees
  11. Training and Materials

- Responsibilities and Duties
  1. Prompt Investigation and No Independent Contractor Defense
  2. Required Publication
  3. Code Responsibility Officer
  4. Extraterritorial Effect

- Administration
  1. Interpretation and Execution
  2. Code Administrator
  3. Procedure

- Regulations for Enforcement of DSA Code of Ethics
  1. Receipt of Complaint
  2. Cooperation with the Code Administrator
  3. Informal Investigation and Disposition Procedure
  4. Appeals Review Panel
  5. Appeals Review Procedure
  6. Codes of Ethics of Member Companies
     - Approval By Administrator
     - Alternative Enforcement Process

- Powers of the Administrator
  1. Remedies
  2. Case Closed
  3. Refusal to Comply
  4. Appeal for Reinstatement After Suspension or Termination

- Restrictions
  1. Conferring with Others
  2. Documents
  3. Pending Members of DSA

- Resignation

- Amendments
Preamble
The Direct Selling Association, recognizing that companies engaged in direct selling assume certain responsibilities toward customers arising out of the personal-contact method of distribution of their products and services, hereby sets forth the basic fair and ethical principles and practices to which member companies of the association will continue to adhere in the conduct of their business.

A. Code of Conduct

1. Deceptive or Unlawful Consumer or Recruiting Practices
a. No member company of the Association or independent salesperson for a member company shall engage in any deceptive, false, unethical or unlawful consumer or recruiting practice. Member companies shall ensure that no statements, promises or testimonials are made that are likely to mislead consumers or prospective salespeople.

b. Member companies and their independent salespeople must comply with all requirements of law. While this Code does not restate all legal obligations, compliance with all pertinent laws by member companies and their independent salespeople is a condition of acceptance by and continuing membership in DSA.

c. Member companies shall conduct their activities toward other members in compliance with this Code and all pertinent laws.

d. Information provided by member companies and their independent salespeople to prospective or current independent salespeople concerning the opportunity and related rights and obligations shall be accurate and complete. Member companies and their independent salespeople shall not make any factual representation to prospective independent salespeople that cannot be verified or make any promise that cannot be fulfilled. Member companies and their independent salespeople shall not present any selling opportunity to any prospective independent salesperson in a false, deceptive or misleading manner.

e. Member companies and their independent salespeople shall not induce a person to purchase products or services based upon the representation that a consumer can recover all or part of the purchase price by referring prospective consumers, if such reductions or recovery are violative of applicable referral sales laws.

f. Member companies shall provide to their independent salespeople either a written agreement to be signed by both the member company and the independent salesperson, or a written statement containing the essential details of the relationship between the independent salesperson and the member company. Member companies shall inform their independent salespeople of their legal obligations, including their responsibility to handle any applicable licenses, registrations and taxes.

g. Member companies shall provide their independent salespeople with periodic accounts including, as applicable, sales, purchases, details of earnings, commissions, bonuses, discounts, deliveries, cancellations and other relevant data, in accordance with the member company’s arrangement with the independent salesperson. All monies due shall be paid and any withholdings made in a commercially reasonable manner.

h. Independent salespeople shall respect any lack of commercial experience of consumers. Independent salespeople shall not abuse the trust of individual consumers, or exploit a consumer’s age, illness, handicap, lack of understanding or unfamiliarity with a language.

1a. This section does not bring "proselytizing" or "salesforce raiding" disputes under the Code's jurisdiction, unless such disputes involve allegations of deceptive, unethical or unlawful recruiting practices or behaviors aimed at potential salespeople. In those cases, the section applies. As used in this section, "unethical" means violative of the U.S. DSA Code of Ethics.

The DSA Code Administrator has the authority to make a determination of what is a deceptive, unlawful or unethical
consumer or recruiting practice under the Code using prevailing legal standards as a guide. Compliance with any particular law, regulation or DSA Code of Ethics provision is not a defense to such a determination by the DSA Code Administrator that a practice is deceptive, unlawful or unethical. For example, in a sale to a consumer, compliance with the Federal Trade Commission Cooling-Off Rule does not bar the DSA Code Administrator from making a determination that a particular sales practice is deceptive, unlawful or unethical and that a refund or compensation is required.

1. and 2. These sections cover communications about your own company or another company. For example, a distributor for company A makes misleading statements about company B and/or its products to consumers or prospective salespeople.

2. Products, Services and Promotional Materials
   a. The offer of products or services for sale by member companies of the Association shall be accurate and truthful as to price, grade, quality, make, value, performance, quantity, currency of model and availability. A consumer's order for products and services shall be fulfilled in a timely manner.

   b. Member companies shall not make misleading comparisons of another company's direct selling opportunity, products or services. Any comparison must be based on facts that can be objectively substantiated. Member companies shall not denigrate any other member company, business, product or service – directly or by implication – in a false or misleading manner and shall not take unfair advantage of the goodwill attached to the trade name and symbol of any company, business, product or service.

   c. Promotional literature, advertisements and mailings shall not contain product descriptions, claims, photos or illustrations that are false, deceptive or misleading. (Promotional literature shall contain the name and address or telephone number of the member company and may include the telephone number of the individual independent salesperson).

   d. Independent salespeople shall offer consumers accurate information regarding: price, credit terms; terms of payment; a cooling-off period, including return policies; terms of guarantee; after-sales service; and delivery dates. Independent salespeople shall give understandable and accurate answers to questions from consumers. To the extent claims are made with respect to products, independent salespeople shall make only those product claims authorized by the member company.

3. Terms of Sale
   a. A written order or receipt shall be delivered to the customer at or prior to the time of the initial sale. In the case of a sale made through the mail, telephone, Internet, or other non face-to-face means, a copy of the order form shall have been previously provided, be included in the initial order, or be provided in printable or downloadable form through the Internet. The order form must set forth clearly, legibly and unambiguously:

      1. Terms and conditions of sale, including the total amount the consumer will be required to pay, including all interest, service charges and fees, and other costs and expenses as required by federal and state law;
      2. Identity of the member company and the independent salesperson, and contain the full name, permanent address and telephone number of the member company or the independent salesperson, and all material terms of the sale; and
      3. Terms of a guarantee or a warranty, details and any limitations of after-sales service, the name and address of the guarantor, the length of the guarantee, and the remedial action available to the consumer. Alternatively, this information may be provided with other accompanying literature provided with the product or service.

   b. Member companies and their salespeople shall offer a written, clearly stated cooling off period permitting the consumer to withdraw from a purchase order within a minimum of three days from the date of the purchase transaction and receive a full refund of the purchase price.

   c. Member companies and their independent salespeople offering a right of return, whether or not conditioned upon certain events, shall provide it in writing.
4. Warranties and Guarantees
The terms of any warranty or guarantee offered by the seller in connection with the sale shall be furnished to the buyer in a manner that fully conforms to federal and state warranty and guarantee laws and regulations. The manufacturer, distributor and/or seller shall fully and promptly perform in accordance with the terms of all warranties and guarantees offered to consumers.

5. Identification and Privacy
a. At the beginning of sales presentations independent salespeople shall truthfully and clearly identify themselves, their company, the nature of their company's products or services, and the reason for the solicitation. Contact with the consumer shall be made in a polite manner and during reasonable hours. A demonstration or sales presentation shall stop upon the consumer’s request.

b. Member companies and independent salespeople shall take appropriate steps to safeguard the protection of all private information provided by a consumer, a prospective consumer, or other independent salespeople.

6. Pyramid Schemes
For the purpose of this Code, pyramid or endless chain schemes shall be considered consumer transactions actionable under this Code. The Code Administrator shall determine whether such pyramid or endless chain schemes constitute a violation of this Code in accordance with applicable federal, state and/or local law or regulation.

6. The definition of an "illegal pyramid" is based upon existing standards of law as reflected in In the matter of Amway, 93 FTC 618 (1979) and the anti-pyramid laws of Kentucky, Louisiana, Montana, Oklahoma, and Texas. In accordance with these laws, member companies shall remunerate direct sellers primarily on the basis of sales of products, including services, purchased by any person for actual use or consumption. Such remuneration may include compensation based on sales to individual direct sellers for their own actual use or consumption.

7. Inventory Purchases
a. Any member company with a marketing plan that involves selling products directly or indirectly to independent salespeople shall clearly state, in its recruiting literature, sales manual, or contract with the independent salespeople, that the company will repurchase on reasonable commercial terms currently marketable inventory, in the possession of that salesperson and purchased by that salesperson for resale prior to the date of termination of the salesperson's business relationship with the company or its independent salespeople. For purposes of this Code, "reasonable commercial terms" shall include the repurchase of marketable inventory within twelve (12) months from the salesperson's date of purchase at not less than 90 percent of the salesperson's original net cost less appropriate set offs and legal claims, if any. For purposes of this Code, products shall not be considered "currently marketable" if returned for repurchase after the products' commercially reasonable usable or shelf life period has passed; nor shall products be considered "currently marketable" if the company clearly discloses to salespeople prior to purchase that the products are seasonal, discontinued, or special promotion products and are not subject to the repurchase obligation.

7a. The purpose of the buyback is to eliminate the potential harm of "inventory loading;" i.e., the practice of loading up salespeople with inventory they are unable or unlikely to be able to sell or use within a reasonable time period. Inventory loading has historically been accomplished by giving sellers financial incentives for sales without regard to ultimate sales to or use by actual consumers. The repurchase provisions of the Code are meant to deter inventory loading and to protect distributors from financial harm which might result from inventory loading.

"Inventory" is considered to include both tangible and intangible product; i.e., both goods and services. "Current marketability" of inventory shall be determined on the basis of the specific condition of the product. Factors to be considered by the Code Administrator when determining "current marketability" are condition of the goods and whether or not the products have been used or opened.

Changes in marketplace demand, product formulation, or labeling are not sufficient grounds for a claim by the company that a product is no longer "marketable." Nor does the ingestible nature of certain products limit per se the
Consultant Policies and Procedures | page C5

current marketability of those products. Government regulation which may arguably restrict or limit the ultimate resalability of a product does not limit its "current marketability" for purposes of the Code.

State statutes mandate that certain buyback provisions required by law must be described in a direct seller's contract. While acknowledging that the contract is probably the most effective place for such information, the DSA Code allows for placement of the provision in either "recruiting literature or contract."* The DSA Code is meant to emphasize that the disclosure must be in writing and be clearly stated. Wherever disclosed, the buyback requirement shall be construed as a contractual obligation of the company.

A company shall not place any unreasonable (e.g., procedural) impediments in the way of salespeople seeking to sell back products to the company.

The buyback process should be as efficient as possible and designed to facilitate buyback of products. The buyback provisions apply to all terminating distributors who otherwise qualify for such repurchase, including distributors who are not new to a particular company, or those who have left a company to sell for another company.

b. Any member company with a marketing plan which requires independent salespeople to purchase company-produced promotional materials, sales aids or kits shall clearly state, in its recruiting literature, sales manual or contract with the independent salespeople, that the company will repurchase these items on reasonable commercial terms.

Any member company with a marketing plan which provides its independent salespeople with any financial benefit related to the sales of company-produced promotional materials, sales aids or kits shall clearly state, in its recruiting literature, sales manual or contract with the independent salespeople, that the company will repurchase, on reasonable commercial terms, currently marketable company-produced promotional materials, sales aids or kits.

A member company shall clearly state in its recruiting literature, sales manual or contract with the independent salespeople if any items not otherwise covered by this Section are ineligible for repurchase by the company.

7b. 1998 amendments made it clear that sales aids, kits and promotional materials, while not inventory or necessarily intended for resale, are subject to the repurchase requirement if a company requires their purchase or if there is a financial incentive associated with their sale. It was recognized that “loading” of these items can cause the same harm to plan participants as loading of “inventory.”*

With respect to the final paragraph of Section 7b., disclosure of an item’s eligibility or ineligibility for the buyback is key. Provided that repurchase is not required by this Code provision, for those items a company chooses not to repurchase, the company should clearly and conspicuously disclose to the buyer that the items are not subject to the repurchase requirement. Under such disclosure, a refusal to take an item back will not constitute a violation providing the member is acting in good faith and not attempting to evade the repurchase requirement.

8. Earnings Representations

No member company shall misrepresent the actual or potential sales or earnings of its independent salespeople. Any earnings or sales representations that are made by member companies shall be based on documented facts.

8. There is ample legal precedent in the form of FTC decisions to afford guidance on the subject of earnings representations. While not controlling, these precedents should be used by the Code Administrator in making determinations as to the substantiation of company earnings claims.

The Code's simple prohibition of misrepresentations was intended, in part, to avoid unduly encumbering start-up companies that have little or no actual earnings history with their compensation plan or established companies that are testing or launching new compensation plans. The prohibition approach is meant to require that companies in these circumstances need only ensure that their promotional literature and public statements clearly indicate that the
compensation plan is new and that any charts, illustrations and stated examples of income under the plan are potential in nature and not based upon the actual performance of any individual(s).

9. Inventory Loading
A member company shall not require or encourage an independent salesperson to purchase inventory in an amount which unreasonably exceeds that which can be expected to be resold and/or consumed within a reasonable period of time. Member companies shall take reasonable steps to ensure that independent salespeople receiving compensation for downline sales volume are consuming, using or reselling the products and services they purchase in order to qualify to receive compensation.


10. Payment of Fees
Neither member companies nor their independent salespeople shall ask individuals to assume unreasonably high entrance fees, training fees, franchise fees, fees for promotional materials or other fees related solely to the right to participate in the direct selling business. Any fees charged to become an independent salesperson shall relate directly to the value of materials, products or services provided in return.

10. High entrance fees can be an element of pyramid schemes, in which individuals are encouraged to expend large upfront costs, without receiving product of like value. These fees then become the mechanism driving the pyramid and placing participants at risk of financial harm. Some state laws have requirements that fees be returned similar to the repurchase provisions delineated in Code §7a. The Code eliminates the harm of large fees by prohibiting unreasonably high fees. The Code Administrator is empowered to determine when a fee is "unreasonably high." For example, if a refund is offered for only a portion of an entrance fee, to cover what could be described as inventory, and there is nothing else given or received for the balance of the entrance fee, such as a training program, that portion of the entrance fee may be deemed to be unreasonably high by the Code Administrator. This Code section reinforces the provision in Code Part B. Responsibilities and Duties requiring companies to address the Code violations of their independent contractor salesforce.

11. Training and Materials
a. Member companies shall provide adequate training to enable independent salespeople to operate ethically.

b. Member companies shall prohibit their independent salespeople from marketing or requiring the purchase by others of any materials that are inconsistent with the member company’s policies and procedures.

c. Independent salespeople selling member company-approved promotional or training materials, whether in hard copy or electronic form, shall:

1. Use only materials that comply with the same standards used by the member company,
2. Not make the purchase of such materials a requirement of other independent salespeople,
3. Provide such materials at not more than the price at which similar material is available generally in the marketplace, and
4. Offer a written return policy that is the same as the return policy of the member company the independent salesperson represents.

d. Member companies shall take diligent, reasonable steps to ensure that promotional or training materials produced by their independent salespeople comply with the provisions of this Code and are not false, misleading or deceptive.

B. Responsibilities and Duties

1. Prompt Investigation and No Independent Contractor Defense
a. Member companies shall establish, publicize and implement complaint handling procedures to ensure prompt resolution of all complaints.
b. In the event any consumer shall complain that the salesperson or representative offering for sale the products or services of a member company has engaged in any improper course of conduct pertaining to the sales presentation of its goods or services, the member company shall promptly investigate the complaint and shall take such steps as it may find appropriate and necessary under the circumstances to cause the redress of any wrongs which its investigation discloses to have been committed.

c. Member companies will be considered responsible for Code violations by their solicitors and representatives where the Administrator finds, after considering all the facts, that a violation of the Code has occurred. For the purposes of this Code, in the interest of fostering consumer protection, companies shall voluntarily not raise the independent contractor status of salespersons distributing their products or services under its trademark or trade name as a defense against Code violation allegations and such action shall not be construed to be a waiver of the companies' right to raise such defense under any other circumstance.

d. The members subscribing to this Code recognize that its success will require diligence in creating an awareness among their employees and/or the independent wholesalers and retailers marketing the member's products or services of the member's obligations under the Code. No subscribing party shall in any way attempt to persuade, induce or coerce another party to breach this Code, and the subscribers hereto agree that the inducing of the breach of this Code is considered a violation of the Code.

e. Individual salespeople are not bound directly by this Code, but as a condition of participation in a member company's distribution system, shall be required by the member company with whom they are affiliated to adhere to rules of conduct meeting the standards of this Code.

f. This Code is not law but its obligations require a level of ethical behavior from member companies and independent salespeople that is consistent with applicable legal requirements. Failure to comply with this Code does not create any civil law responsibility or liability. When a company leaves the DSA membership, a company is no longer bound by this Code. However, the provisions of this Code remain applicable to events or transactions that occurred during the time a company was a member of DSA.

2. Required Code Communication

   a. All member companies are required to publicize DSA's Code of Ethics to its sales people and consumers. At a minimum, member companies must have one of the following:

      i. an inclusion on the company's web site of DSA's Code of Ethics with a step-by-step explanation as to how to file a complaint; or

      ii. a prominent link from the company's web site to DSA's Code of Ethics web page; or

      iii. an inclusion of the company's Code of Ethics, or its complainant process, in its web site, or with an explanation of how a complainant may appeal to the DSA Code Administrator in the event the complainant is not satisfied with the resolution under the company code, or the company's complaint process, with a reference to the web site of DSA's Code of Ethics.

   b. All members, after submission of their program, are required to state annually, along with paying their dues, that the program remains effective or indicate any change.

3. Code Responsibility Officer

   Each member company and pending member company is required to designate a DSA Code Responsibility Officer. The Code Responsibility Officer is responsible for facilitating compliance with the Code by their company and responding to inquiries by the DSA Code Administrator. He or she will also serve as the primary contact at the company for communicating the principles of the DSA Code of Ethics to their independent salespeople, company employees, customers and the general public.
4. Extraterritorial Effect
Each member company shall comply with the World Federation of Direct Selling Associations’ Code of Conduct with regard to direct selling activities outside of the United States to the extent that the WFDSA Code is not inconsistent with U.S. law, unless those activities fall under the jurisdiction of the code of conduct of another country’s DSA to which the member company also belongs.

C. Administration

1. Interpretation and Execution
The Board of Directors of the Direct Selling Association shall appoint a Code Administrator to serve for a fixed term to be set by the Board prior to appointment. The Board shall have the authority to discharge the Administrator for cause only. The Board shall provide sufficient authority to enable the Administrator to properly discharge the responsibilities entrusted to the Administrator under this Code. The Administrator will be responsible directly and solely to the Board. The Board of Directors will establish all regulations necessary to administer the provisions of this Code.

2. Code Administrator
a. The Administrator shall be a person of recognized integrity, knowledgeable in the industry, and of a stature that will command respect by the industry and from the public. He shall appoint a staff adequate and competent to assist him in the discharge of his duties. During his term of office, neither the Administrator nor any member of his staff shall be an officer, director, employee, or substantial stockholder in any member or affiliate of the DSA. The Administrator shall disclose all holdings of stock in any member company prior to appointment and shall also disclose any subsequent purchases of such stock to the Board of Directors. The Administrator shall also have the same rights of indemnification as the Directors and Officers have under the bylaws of the Direct Selling Association.

b. The Administrator shall establish, publish and implement transparent complaint handling procedures to ensure prompt resolution of all complaints.

c. The Administrator, in accordance with the regulations established by the Board of Directors as provided herein, shall hear and determine all charges against members subscribing hereto, affording such members or persons an opportunity to be heard fully. The Administrator shall have the power to originate any proceedings, and shall at all times have the full cooperation of all members.

3. Procedure
a. The Administrator shall determine whether a violation of the Code has occurred in accordance with the regulations promulgated hereunder. The Administrator shall answer as promptly as possible all queries posed by members relating to the Code and its application, and, when appropriate, may suggest, for consideration by the Board of Directors, new regulations, definitions, or other implementations to make the Code more effective.

b. If, in the judgment of the Code Administrator, a complaint is beyond the Administrator’s scope of expertise or resources, the Code Administrator may decline to exercise jurisdiction in the matter and may, in his or her discretion, recommend to the complainant another forum in which the complaint can be addressed.

c. The Administrator shall undertake through his office to maintain and improve all relations with better business bureaus and other organizations, both private and public, with a view toward improving the industry’s relations with the public and receiving information from such organizations relating to the industry’s sales activities.

D. Regulations for enforcement of DSA Code of Ethics

1. Receipt of Complaint
Upon receipt of a complaint from a bona fide consumer or where the Administrator has reason to believe that a member has violated the Code of Ethics, the Administrator shall forward a copy of the complaint, if any, to the accused member together with a letter notifying the member that a preliminary investigation of a specified possible violation pursuant to Section 3 is being conducted and requesting the member’s cooperation in supplying necessary information, documentation and explanatory comment. If a written complaint is not the basis of the Administrator’s
investigation, then the Administrator shall provide written notice as to the basis of his reason to believe that a violation has occurred. Further, the Code Administrator shall honor any requests for confidential treatment of the identity of the complaining party made by that party.

2. Cooperation with the Code Administrator
In the event a member refuses to cooperate with the Administrator and refuses to supply necessary information, documentation and explanatory comment, the Administrator shall serve upon the member, by registered mail, a notice affording the member an opportunity to appear before the Appeals Review Panel on a certain date to show cause why its membership in the Direct Selling Association should not be terminated. In the event the member refuses to cooperate with the Administrator or to request a review by the Appeals Review Panel, the DSA Board of Directors, or a designated part thereof, may vote to terminate the membership of the member.

3. Informal Investigation and Disposition Procedure
a. The Administrator shall conduct a preliminary investigation, making such investigative contacts as are necessary to reach an informed decision as to the alleged Code violation. If the Administrator determines, after the informal investigation, that there is no need for further action or that the Code violation allegation lacks merit, further investigation and administrative action on the matter shall terminate and the complaining party shall be so notified.

b. The Administrator may, at his discretion, remedy an alleged Code violation through informal, oral and written communication with the accused member company.

c. If the Administrator determines that the allegation has sufficient merit, in that the apparent violations are of such a nature, scope or frequency so as to require remedial action pursuant to Part E and that the best interests of consumers, the association and the direct selling industry require remedial action, he shall notify the member of his decision, the reasoning and facts which produced it, and the nature of the remedy he believes should be effected. The Administrator's notice shall offer the member an opportunity to voluntarily consent to accept the suggested remedies without the necessity of a Section 4 hearing. If the member desires to dispose of the matter in this informal manner it will, within 20 days, advise the Administrator, in writing, of its willingness to consent. The letter to the Administrator may state that the member's willingness to consent does not constitute an admission or belief that the Code has been violated.

4. Appeals Review Panel
An Appeals Review Panel consisting of five representatives from active member companies shall be selected by the Executive Committee of DSA’s Board of Directors. Each member shall serve for a term of three years. The five members shall be selected in a manner that represents a cross-section of the industry. When an appeal is made by a member company, the Chairman of the DSA Board of Directors shall select three of the five members of the Appeals Review Panel to constitute a three-person panel to review the appeal, and shall name one of them Chairman of that panel. When possible, no company of the three shall sell a product that specifically competes with the Appellant, and every effort shall be made to avoid conflicts in selecting the panel. If for any reason, a member of the panel cannot fulfill his or her duties or fill out a term for any reason, the Chairman of the Board of DSA can replace that person with a new appointment for the remainder of the unfulfilled term with the concurrence of the Executive Committee.

5. Appeals Review Procedure
a. If a member company objects to the imposition of a remedial action by the Administrator, it shall have a right to request a review of the Administrator's decision by the Appeals Review Panel. A member company must make such a request in writing submitted to the Administrator within 14 days of being notified of the remedial action by the Administrator. Within 10 days of receiving such a request, the Administrator shall notify the Chairman of the Board of DSA who at that time shall select the three-person panel in accordance with Section 4 above. That selection shall take place within 30 days of the member's request for the review.

b. As soon as the panel has been selected, the Administrator shall inform the Appellant of the names of the panelists, including the name of the chairman of the panel. Within 14 days of that notification, the Administrator shall send a copy of the Complaint and all relevant documents, including an explanation of the basis of the decision to impose remedial action, to the panelists with copies to the Appellant. Upon receipt of such information, the Appellant shall
have 14 days to file with the panel its reasons for arguing that remedial action should not be imposed along with any additional documents that are relevant. Copies of that information should also be sent to the Administrator.

c. Once the information has been received by the panelists from both the Administrator and the member company, the panel will complete its review within 30 days or as soon thereafter as practicable. The panel shall decide whether the Administrator’s decision to impose remedial action was reasonable under all of the facts and circumstances involved and shall either confirm the Administrator’s decision, overrule it, or impose a lesser sanction under Part E. The panel shall be free to contact the Administrator and the Appellant and any other persons who may be relevant witnesses to the Complaint, formally or informally as deemed appropriate. A decision by the panel shall be final and shall be promptly communicated both to the Administrator and the Appellant. The costs involved in the appeal such as costs of photocopying, telephone, fax, and mailing, shall be borne by the Appellant.

6. Codes of Ethics of Member Companies

a. Approval By Administrator

1. If a complaint is against a member company that has a code of ethics which has been registered with the DSA Code of Ethics Administrator, and the Administrator has issued an opinion that the company code is compatible with DSA’s Code of Ethics, the Complainant must first exhaust all remedies under the company code of ethics before filing a complaint with DSA’s Code Administrator. If the Complainant has exhausted those remedies and is of the opinion that the company’s disposition of the Complaint was unsatisfactory, the Complainant can appeal the company’s decision to the DSA Code Administrator. The Complainant must first notify the company of the intent to appeal to DSA. The Complainant must also forward all relevant documentation from the company code proceeding to DSA’s Administrator.

2. After receiving such an appeal, the Administrator shall confer with the company to obtain any additional information concerning the matter as well as an explanation for the company’s decision. The Administrator shall decide whether the company’s resolution of the complaint was reasonable under all of the facts and circumstances involved. If the Administrator decides in the negative, the Administrator shall work with the company in an effort to resolve the matter satisfactorily to all parties. If the Administrator finds that the member company will not cooperate in that effort, the Administrator can impose remedial action in accordance with DSA’s Code of Ethics. The Complainant shall bear all costs of an appeal from a decision under a company code, including such costs as photocopying, telephone, fax, and mailing charges.

b. Alternative Enforcement Process

In certain instances, a member company may provide a process whereby complaints can be addressed and which provide an equally acceptable vehicle for complaint resolution. In such instances – provided the process has been formally reviewed and approved by the DSA Code Administrator – the member company’s process may be substituted for and the member company relieved of, adherence to the provision of Section D, Regulations for Enforcement of the DSA Code of Ethics.* In order for a member company’s enforcement process to be approved as an alternative to Section D, the process must contain all the following elements:

1. The company has adopted an investigation and review process that substantially mirrors that presented in Section D and contains at more than one level the formal review of complaints regarding its salespersons or representatives;
2. The company has adopted an appeal process to the steps outlined in Paragraph 1 above that includes review by a neutral and competent third party, as approved by the DSA Code of Ethics Administrator;
3. The company offers a satisfaction guarantee or the equivalent on product sales to consumers who are not salespersons or representatives of the member company; and
4. The company advises its salespersons or representatives of the dispute resolution process in a sufficiently transparent manner including notices on its web site and in appropriate literature.

c. If a member company meets the above requirements of paragraph b., DSA will indicate on its web site that the member company’s Code of Ethics is an approved Alternative taking precedence over the DSA’s Code of Ethics Section D-Regulations for Enforcement of DSA Code of Ethics.
d. Those companies that are on the Company Code Alternative list will be exempt from the required publication provisions of Section B.2 of the Code and will not have to show on their web sites or in separate literature that complaints against the company should be filed with the DSA Code of Ethics Administrator. The DSA Code of Ethics web site will indicate, however, that all member companies are subject to all other provisions of the DSA Code of Ethics. Further, if the DSA Code of Ethics Administrator finds that any company on the Alternative list has failed to comply with the requirements for such a listing the Administrator may remove that company from the list.

E. Powers of the Administrator

1. Remedies
   If, pursuant to the hearing provided for in Part D Section 3, the Administrator determines that the accused member has committed a Code of Ethics violation or violations, the Administrator is hereby empowered to impose the following remedies, either individually or concurrently, upon the accused member:

   a. Require complete restitution to the complainant of monies paid for the accused member’s products which were the subject of the Code complaint;
   b. Require the replacement or repair of any accused member’s product, the sale of which was the source of the Code complaint;
   c. Require the payment of a voluntary contribution to a special assessment fund which shall be used for purposes of publicizing and disseminating the Code and related information. The contribution may range up to $1,000 per violation of the Code.
   d. Require the accused member to submit to the Administrator a written commitment to abide by the DSA Code of Ethics in future transactions and to exercise due diligence to assure there will be no recurrence of the practice leading to the subject Code complaint.
   e. Require the cancellation of orders, return of products purchased, cancellation or termination of the contractual relationship with the independent salesperson or other remedies.

2. Case Closed
   If the Administrator determines that there has been compliance with all imposed remedies in a particular case, he shall close the matter.

3. Refusal to Comply
   If a member refuses to voluntarily comply with any remedy imposed by the Administrator, and has not requested a review by the Appeals Review Panel, the DSA Board of Directors, or designated part thereof, may conclude that the member should be suspended or terminated from membership in the Association. In that event the Administrator shall notify the member of such a decision by registered mail and shall remind the member of its right to have the Administrator’s original decision reviewed by the Appeals Review Panel in accordance with Part D Section 5 (Appeals Review Procedure) of this Code.

4. Appeal for Reinstatement After Suspension or Termination
   If the suspension or termination is not appealed, or if it is confirmed by the Appeals Review Panel, a suspended member, after at least ninety days, and a terminated member, after at least one year, may request the opportunity to have its suspension or termination reviewed by the Appeals Review Panel which may in its discretion reinstate membership.

5. Referral to State or Federal Agency
   In the event a member is suspended or terminated, and continues to refuse to comply with any remedy imposed by the Administrator within 30 days after suspension or termination, the Administrator may then consult with independent legal counsel to determine whether the facts that have been ascertained amount to a violation of state or federal law. If it is determined that such a violation may have occurred, the Administrator shall so notify the accused member by certified or registered mail, return receipt requested, and if appropriate action has not been taken by the accused member, and communicated to the Administrator after 15 days following such notice, the Administrator may submit the relevant data concerning the complaint to the appropriate federal or local agency.
F. Restrictions

1. Conferring with Others
At no time during an investigation or the hearing of charges against a member shall the Administrator or member of the Appeals Review Panel confer with anyone at any time concerning any alleged violation of the Code, except as provided herein and as may be necessary to conduct the investigation and hold a hearing. Any information ascertained during an investigation or hearing shall be treated as confidential, except in cases where the accused member has been determined to have violated federal, state or local statutes. At no time during the investigation or the hearing of charges shall the Administrator or a member of the Appeals Review Panel confer with a competitor of the member alleged to be in violation of the Code, except when it may be necessary to call a competitor concerning the facts, in which case the competitor shall be used only for the purpose of discussing the facts. At no time shall a competitor participate in the Administrator's or in the Appeals Review Panel's disposition of a complaint.

2. Documents
Upon request by the Administrator to any member, all documents directly relating to an alleged violation shall be delivered to the Administrator. Any such information obtained by the Administrator shall be held in confidence in accord with the terms of these regulations and the Code. Whenever the Administrator, either by his own determination or pursuant to a decision by the Appeals Review Panel, terminates an action which was begun under the Code, a record of the member accused shall be wiped clean and all documents, memoranda or other written material shall either be destroyed or returned, as may be deemed appropriate by the Administrator, except to the extent necessary for defending a legal challenge to the Administrator's or Appeals Review Panel's handling of a matter, or for submitting relevant data concerning a complaint to a local, state or federal agency. At no time during proceedings under this Code regulation or under the Code shall the Administrator or member of the Appeals Review Panel either unilaterally or through the DSA issue a press release concerning allegations or findings of a violation of the Code unless specifically authorized to do so by the Executive Committee of DSA's Board of Directors.

3. Pending Members of DSA
Nothing in Part F shall prevent the Administrator from notifying, at his discretion, DSA staff members of any alleged violations of the Code that have come to his attention and which may have a bearing on a DSA pending member's qualifications for active membership.

G. Resignation

Resignation from the Association by an accused company prior to completion of any proceedings constituted under this Code shall not be grounds for termination of said proceedings, and a determination as to the Code violation shall be rendered by the Administrator at his or her discretion, irrespective of the accused company's continued membership in the Association or participation in the complaint resolution proceedings.

H. Amendments

This Code may be amended by vote of two thirds of the Board of Directors.

As Adopted
June 15, 1970

As Amended
by Board of Directors through
December 7, 2011
Disclaimer: The information in this document is not in any way intended to provide medical or business advice. The information in this document is not intended to create a doctor-patient relationship. Rodan + Fields® does not guarantee that Consultants participating in the business opportunities described in this brochure will generate any income. As with any business, each Consultant’s business results may vary, and will be based on, among other factors, such Consultant’s individual capacity, business experience, expertise, and motivation. Readers are cautioned not to place undue reliance on the information in this document and are urged to perform their own due diligence prior to making any decision to participate.